

PO Box 1980, Hobbs, NM 88241-1980

Energy, Minerals & Natural Resources Department

Revised October 18, 1994

District II

Instructions on back

811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III

State Lease - 6 Copies

1000 Rio Brazos Rd., Aztec, NM 87410

2040 South Pacheco

Fee Lease - 5 Copies

District IV

Santa Fe, NM 87505

2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address. Merrion Oil & Gas Corporation 610 Reilly Avenue Farmington, New Mexico 87401		² OGRID Number 014634
		³ API Number 30-045-31831
⁴ Property Code 22342	⁵ Property Name Shank Com	⁶ Well No. 3

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	26N	13W	nesw	1975'	South	2160'	West	San Juan

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 Basin Fruitland					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 6042'
¹⁶ Multiple No	¹⁷ Proposed Depth 1400' KB	¹⁸ Formation Basin Fruitland Coal	¹⁹ Contractor L&B Speed Drill	²⁰ Spud Date As Soon As Permitted

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8-3/4"	7" J55	20 ppf or greater	~120' KB	~30 sx (35 cuft)	Surface
6-1/4"	4-1/2" J55	10.5 ppf or greater	~1400' KB	~106 sx (171 cuft)	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Merrion Oil & Gas proposes to drill 8³/₄" hole with native mud to approx. 120' KB and set 7" 20# J55 or greater surface casing, cement to surface with ~30 sx 'B' w/ 2% CaCl₂ (35 ft³). Will drill 6¹/₄" hole to TD @ approx. 1400' KB with low solids non-dispersed gel mud system. Run open hole surveys. Set 4¹/₂", 10.5# J55 or greater production casing, cement with 51 sx 'B' w/ extender (106 ft³), tail in with 55 sx (65 ft³) Class 'B'. Top of cement should circulate to surface (will adjust volumes based upon caliper log). If cement does not reach surface, a temperature log or cement bond log will be run to determine top of cement.

Will test Fruitland Coal Cliffs through perforated casing. Will fracture stimulate and put on for production test.

Drilling operations below surface casing will be conducted with a Bag type BOP in place, minimum working pressure 1000 psig.

Formation tops: Ojo Alamo - 220', Kirtland - 325', Fruitland - 915', Main Coal - 1205', Pictured Cliffs - 1242'.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Connie S. Dinning

Title:

Production Engineer

Date:

August 7, 2003

Phone: 505-327-9801

OIL CONSERVATION DIVISION

Approved by:

Title: DEPUTY OIL & GAS INSPECTOR, DIST. III

Approval Date:

AUG 11 2003

Expiration Date:

AUG 11 2004

Conditions of Approval:

Attached ☐

State of New Mexico
Energy, Minerals & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

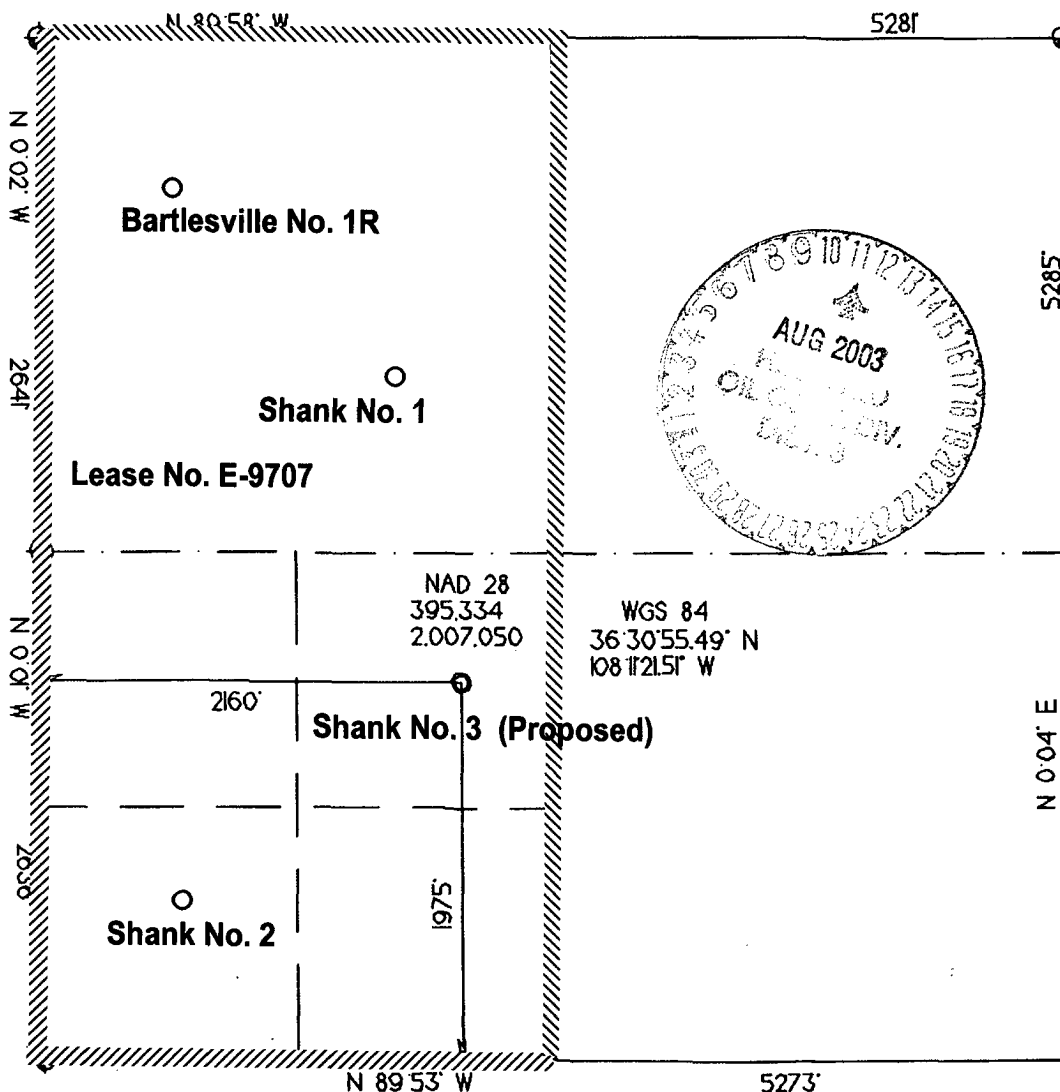
APA Number 30-045-31831	Pool Code 71629	Pool Name Basin Fruitland
Property Code 22342	Property Name SHANK COM	Well Number 3
OGRID No. 014634	Operator Name MERRION OIL & GAS	Elevation 6042'

Surface Location									
UL or Lot K	Sec. 2	Twp. 26 N.	Rge. 13 W.	Lot Ldn. nesw	Feet from 1975'	North/South SOUTH	Feet from 2160'	East/West WEST	County SAN JUAN

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Ldn.	Feet from	North/South	Feet from	East/West	County

Dedication 319566 320	Joint ?	Consolidation	Order No.
-------------------------------------	---------	---------------	-----------

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature	
Printed Name	Connie S. Dinning
Title	Production Engineer
Date	August 7, 2003
SURVEYOR CERTIFICATION I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey 07/30/03	
Signature and Seal of Professional Surveyor	