

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Merrion Oil & Gas Corporation

3. ADDRESS OF OPERATOR

P. O. Box 840, Farmington, New Mexico 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State Requirements.)

At surface

1660' FNL and 1650' FEL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST

10 miles East of Counselor, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1650

16. NO. OF ACRES IN LEASE

2560

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1600

19. PROPOSED DEPTH

6130

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) DRILLING OPERATIONS AUTHORIZED ARE

6819' GL

SUBJECT TO COMPLIANCE WITH ATTACHED

22. APPROX. DATE WORK WILL START*

Summer, 1985

23. "GENERAL REQUIREMENTS" PROPOSED CASING AND CEMENTING PROGRAM This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8", J-55	24 #/ft.	200	175 sx (206.5)
7-7/8"	4-1/2", J-55	10.5 #/ft.	6130	1000 sx (1808 cu. ft.)

Will drill 12-1/4" surface hole to 200 ft. and set 200 ft. of 8-5/8" 24 #/ft. J-55 grade casing with 175 sx Class B cement with 3% CaCl₂. Will drill 7-7/8" hole to 6130 ft. Will run open hole logs. No other testing planned. If well appears productive, will run 6130 ft. of 4-1/2", 10.5 #/ft. J-55 grade casing and stage cement. First stage will cement with 250 sx Class H 2% gel (1.22 cu. ft/sk. yield) 305 cu. ft. cement to cover Gallup interval from TD. Estimated top of cement is 4960 ft. Will set stage collar at approximately 4600 ft., below Point Lookout Formation. Second stage will cement with 700 sx Class B 2% D-79 (2.06 cu. ft/sk.) followed by 50 sx Class H 2% Gel (1.22 cu. ft/sk) 61 cu. ft. to cover Mesaverde, Chacra, Pictured Cliffs, Fruitland and Ojo Alamo. Top of cement will be at surface.

Drilling circulating medium will be low solids, non-dispersed, low water loss mud using bentonite, starch, CMC and fresh water.

Minimum specifications for pressure control is 10" 900 series double ram blow out preventer.

Will perforate and stimulate as required for completion.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE Operations Manager

DATE 7/18/85

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED

SEP 19 1985

/s/ J. Stan McKee

M. MILLENBACH
AREA MANAGER

NMOCC

*See Instructions - Reverse Side

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ESTIMATED TOPS

Ojo Alamo	1572	Menefee	3595
Kirtland	1647	Point Lookout	4202
Fruitland	1882	Mancos	4442
Pictured Cliff	2031	Gallup	5262
Lewis	2147	Sanostee	5902
Cliffhouse	3557	Total Depth	6130

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operation on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-85

All distances must be from the outer boundaries of the Section.

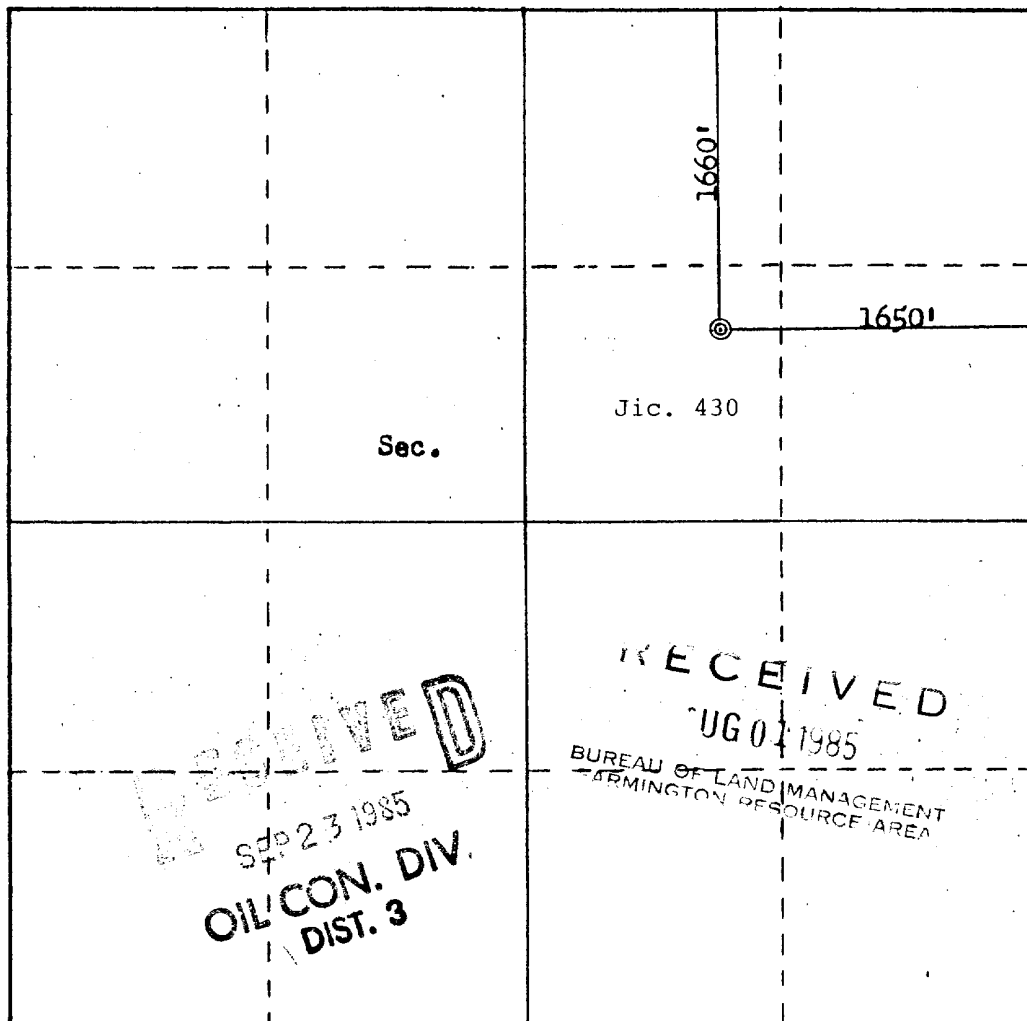
Operator MERRION OIL & GAS CORPORATION			Lease JICARILLA 130		Well No. 11
Unit Letter G	Section 36	Township 23N	Range 5W	County Sandoval	
Actual Footage Location of Well: 1660 feet from the North line and 1650 feet from the East line					
Ground Level Elev: 6819	Producing Formation Gallup		Pool <i>South Lincoln under Gallup Dakota East</i>	Dedicated Acreage 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1000'

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Steve S. Dunn
Name
Steve S. Dunn
Position
Operations Manager
Company
Merrion Oil & Gas Corp.
Date
7/11/85

I hereby certify that the well location shown 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 knowledge and belief.

Date Surveyed
June 25, 1985
Registered Professional Engineer and Land Surveyor
Fred B. Kerr Jr.
Fred B. Kerr Jr.
Certificate No. **3950**

Vicinity Map for
 MERRION OIL & GAS CORP. #11 JICARILLA 430
 1660' FNL 1650' FEL Sec. 36-T23N-R5W
 SANDOVAL COUNTY, NEW MEXICO