

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)

30-045-28583

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VA-0399

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒RE-ENTER ☐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. Well Location

Unit Letter D : 700 Feet From The North Line and 330 Feet From The West Line

Section 36 Township 21N Range 8W NMPM San Juan County

10. Proposed Depth

5800'

11. Formation

Entrada

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

6598' GR

14. Kind & Status Plug Bond

Nationwide

15. Drilling Contractor

Unknown

16. Approx. Date Work will start

Fall, 1991

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	9-5/8"	36#/ft	240'	150 sx	Surface
8-3/4"	7"	23#/ft	5800'	600 sx	Surface

Will drill 12-1/4" hole to 240' and set 240' of 9-5/8", 36#/ft, J-55 casing with 150 sx (177 cu.ft.) of Class "G", 2% CaCl. TOC at surface. Wait on cement 10 hours. Will pressure test to 600 psi for 30 minutes, prior to drillout. Drill 8-3/4" hole to \pm 5700' KB. May run drillstem test of Entrada interval. If Entrada appears productive, will drill to 5800' KB. Run open hole logs. Will run 7", 23#/ft, J-55 casing to 5800', and cement in two stages. First stage will pump 300 sx Class H, 2% gel (366 cu.ft.) to cover from TD to above Gallup at \pm 3399'. Will set stage tool at \pm 2750' and cement with 250 sx Class "B" with 2% D-79 (515 cu.ft.) followed by 50 sx Class H (61 cu.ft.). Top of cement estimated at surface. Will perforate and stimulate as deemed necessary. Additional drilling program details included in attachment.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE

Steven S. Dunn

TITLE

Operations Manager

DATE

9-4-91

TYPE OR PRINT NAME

TELEPHONE NO.

(This space for State Use)

APPROVED BY

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE

SEP 05 1991

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL EXPIRES 9-5-92
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-182
Revised 2-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

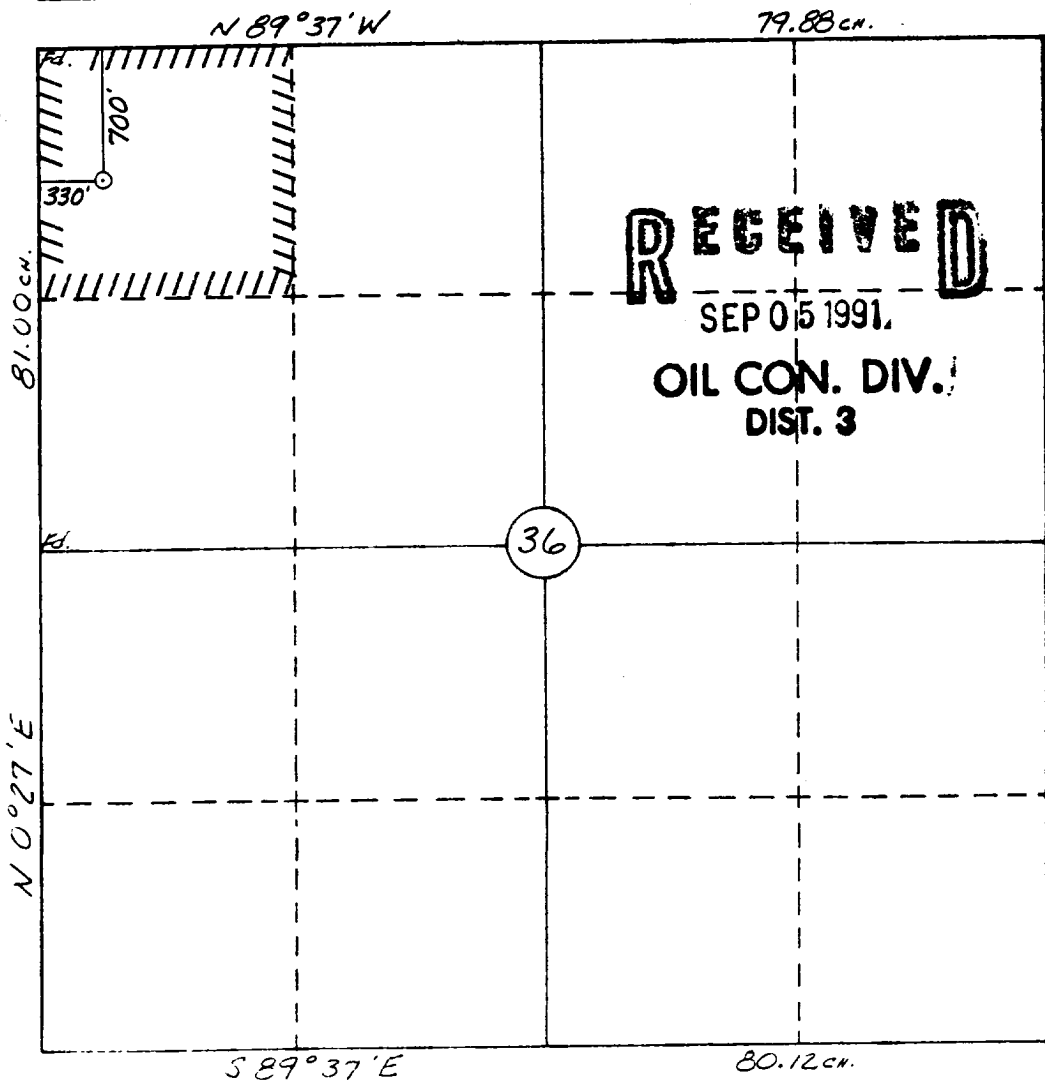
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MERRION OIL & GAS CORPORATION			Lease NACHO		Well No. 1
Unit Letter D	Section 36	Township 21 N	Range 8 W	County San Juan	
Actual Footage Location of Well: 700 feet from the North line and 330 feet from the West line					
Ground level Elev. 6598	Producing Formation Entrada	Pool Wildcat		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 interest 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 interest, has been approved by the Division.

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600



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

Steven S. Dunn

Position

Operations Manager

Company

Merrion Oil & Gas Corp.

Date

SEPT 4, 1991

SURVEYOR CERTIFICATION

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.

8-21-91

Date Surveyed

William E. Mahnke II

Signature & Seal of Professional Surveyor



MERRION OIL & GAS CORPORATION

DRILLING TECHNICAL PROGRAM

ATTACHMENT TO FORM C-101

NACHO No. 1

700' FNL & 330' FWL
Section 36, T21N, R8W
San Juan County, New Mexico

1. ESTIMATED FORMATION TOPS

<u>FORMATION</u>	<u>DEPTH</u>
Fruitland	Surface
Pictured Cliffs	309'
Cliff House	2063'
Menefee	2136'
Point Lookout	2649'
Mancos	2759'
Gallup	3399'
Greenhorn	4369'
Dakota	4469'
Morrison	4813'
Todilto	5659'
Entrada	5669'
Total Depth	5800'

2. WELL CONTROL SYSTEM

- A. Proposed blowout preventer system is series 900 double ram with choke and kill manifold.
- B. Minimum required working pressure rating for BOP stack is 3000 psi.
- C. BOP pressure testing will be conducted at time of installation and prior to drillout of surface casing shoe. The BOP's will be activated at minimum on each trip for a bit and recorded in driller's log.

3. DRILLING MUD PROGRAM

- A. Surface hole will be drilled with fresh water - gel system, lime added to provide viscosity as needed.

- B. 8-3/4" hole will be drilled utilizing a low solids, non-dispersed gel-water mud system. Additives such as starch, cmc, soda ash and others will be used to control mud characteristics as necessary. Lost circulation materials will be stored on location, as necessary, for use in restoring lost circulation.

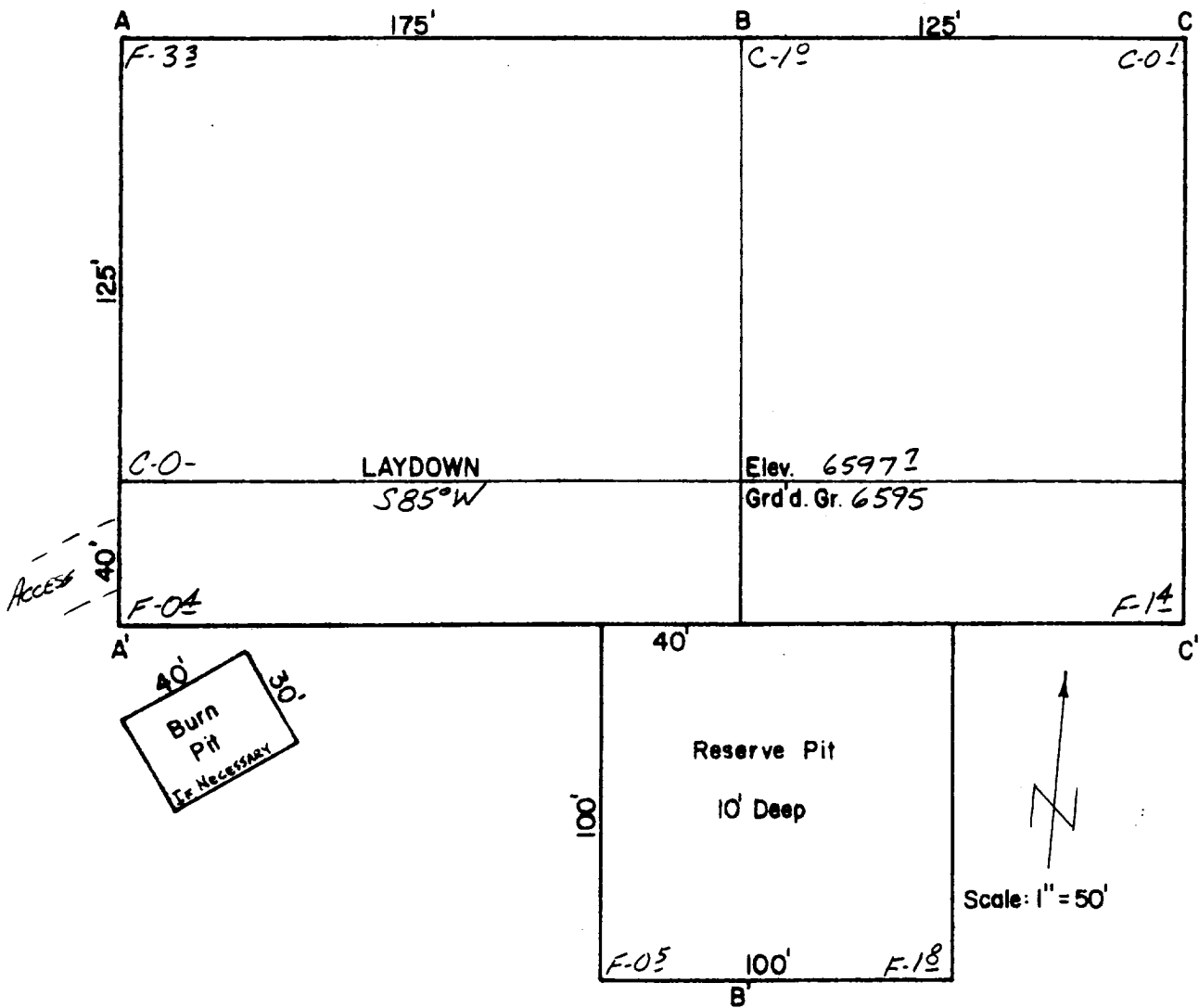
<u>INTERVAL</u>	<u>MUD SYSTEM</u>	<u>WEIGHT #/GAL</u>	<u>VISCOSITY SEC/QT</u>	<u>WATER LOSS CC</u>
0 - 240'	GEL-LIME	9.0	35-45	NA
240'-5800'±	GEL-WTR ND	8.4-9.0	28-45	≤ 12

- C. Mud trip monitoring will be done visually.

4. LOGGING AND TESTING

- A. An IES Induction Log will be run from TD to surface. A Compensated Density Log will be run to cover zones of interest.
- B. A drill stem test may be run to test the Entrada if deemed necessary.
- C. Plans call for using a mud logging unit during drilling.

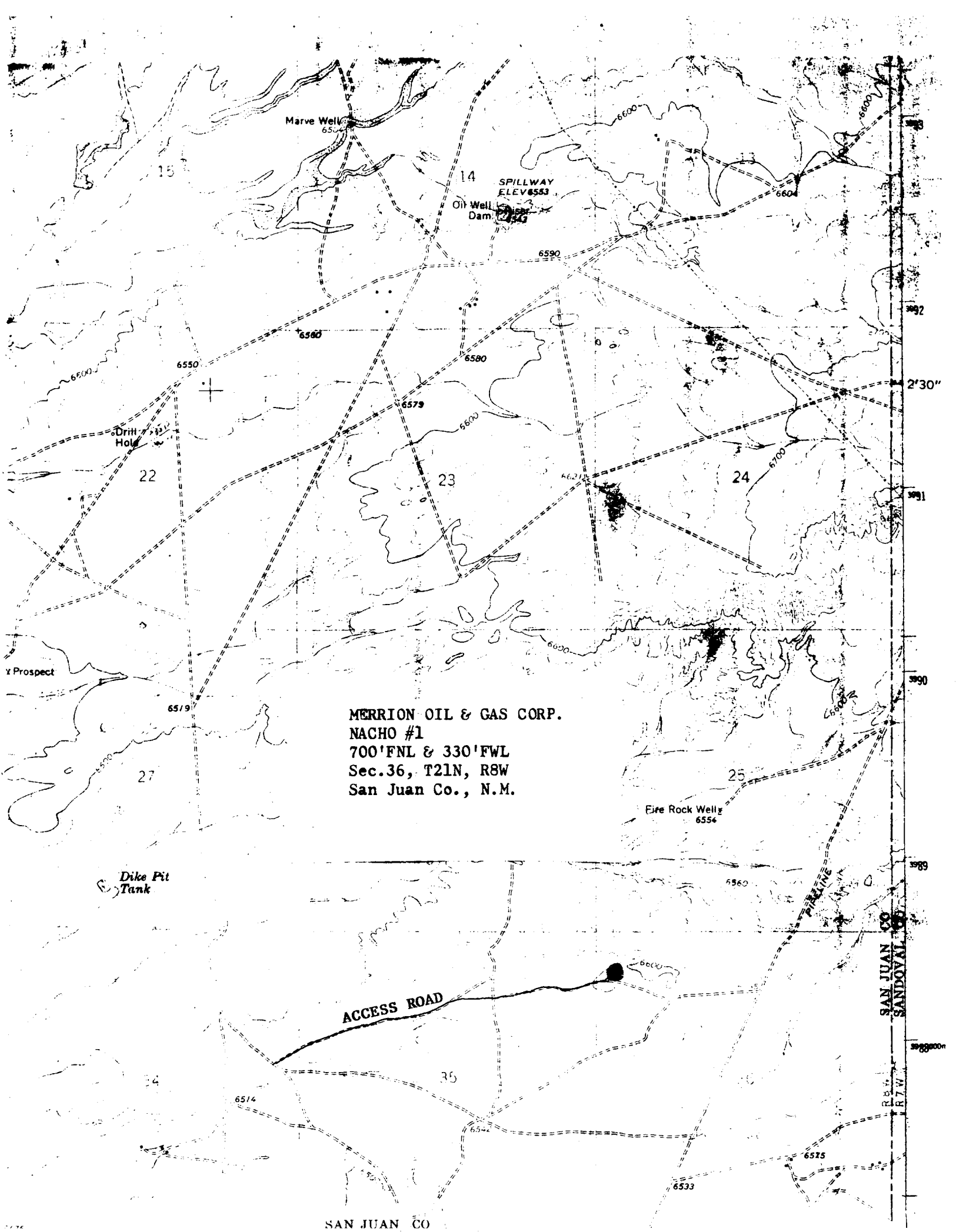
MERRION OIL & GAS CORP.
 NACHO #1
 700' FNL & 330' FWL
 Sec. 36, T21N, R8W
 San Juan Co., N.M.



A-A'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L
6600	-----	-----	-----
6590	-----	-----	-----
	-----	-----	-----

B-B'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L
6600	-----	-----	-----
6590	-----	-----	-----
	-----	-----	-----

C-C'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L
6600	-----	-----	-----
6590	-----	-----	-----
	-----	-----	-----



MERRION OIL & GAS CORP.
NACHO #1
700'FNL & 330'FWL
Sec.36, T21N, R8W
San Juan Co., N.M.

ACCESS ROAD

SAN JUAN CO