

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-045-25974

5. LEASE DESIGNATION AND SERIAL NO.  
NM 47168

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Custer Federal

9. WELL NO.  
No. 1

10. FIELD AND POOL, OR WILDCAT  
Dufers Point Gallup Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
M  
Sec. 5, T25N, R8W

12. COUNTY OR PARISH 13. STATE  
San Juan New Mexico

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 1017, Farmington, New Mexico 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface 790' FSL and 790' FWL  
At proposed prod. zone Same

RECEIVED  
APR 30 1984

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* OF LAND MANAGEMENT  
20 miles South of Bloomfield, New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
790'

16. NO. OF ACRES IN LEASE  
160

17. NO. OF ACRES ASSIGNED TO THIS WELL  
160

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
3250'

19. PROPOSED DEPTH  
6700'

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
6401 GL

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS"  
PROPOSED CASING AND CEMENTING PROGRAM

22. APPROX. DATE WORK WILL START\*  
Summer, 1984

This action is subject to administrative appeal pursuant to 30 CFR 290.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24 #/ft	200 ft.	175 sx (361 cu. ft.)
7-7/8"	4-1/2"	10.5 #/ft.	6700 ft.	1200 sx.

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% CaCl<sub>2</sub>. Will drill 7-7/8" hole to 6700 ft. Will run open hole logs. No other testing planned. If well appears productive, will run 6700 ft. of 4-1/2", 10.5 #/ft, J-55 grade casing and stage cement. First stage will cement with 450 sx Class H 2% gel (1.22 cu. ft./sk. yield) 549 cu. ft. cement to cover Gallup interval from TD. Estimated top of cement is 5600 ft. Will set stage collar at 4671 ft. below Point Lookout Formation. Second stage will cement with 700 sx Class B 2% D-79 (2.06 cu. ft./sk) 1442 cu. ft. cement. Followed by 150 sx Class H 2% gel (1.22 cu. ft./sk. yield) 61 cu. ft. cement 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 [Signature] TITLE Operations Manager DATE 4/27/84

(This space for Federal or State office use)

PERMIT NO. **RECEIVED**  
APPROVED BY **RECEIVED**  
CONDITIONS OF APPROVAL, IF ANY:  
MAY 17 1984

APPROVAL DATE  
DATE MAY 16 1984  
TITILE AREA MANAGER  
FARMINGTON RESOURCE AREA

OIL CON. DIV.  
DIST. 3

NMOCC

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-107  
Revised 10-1-78

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

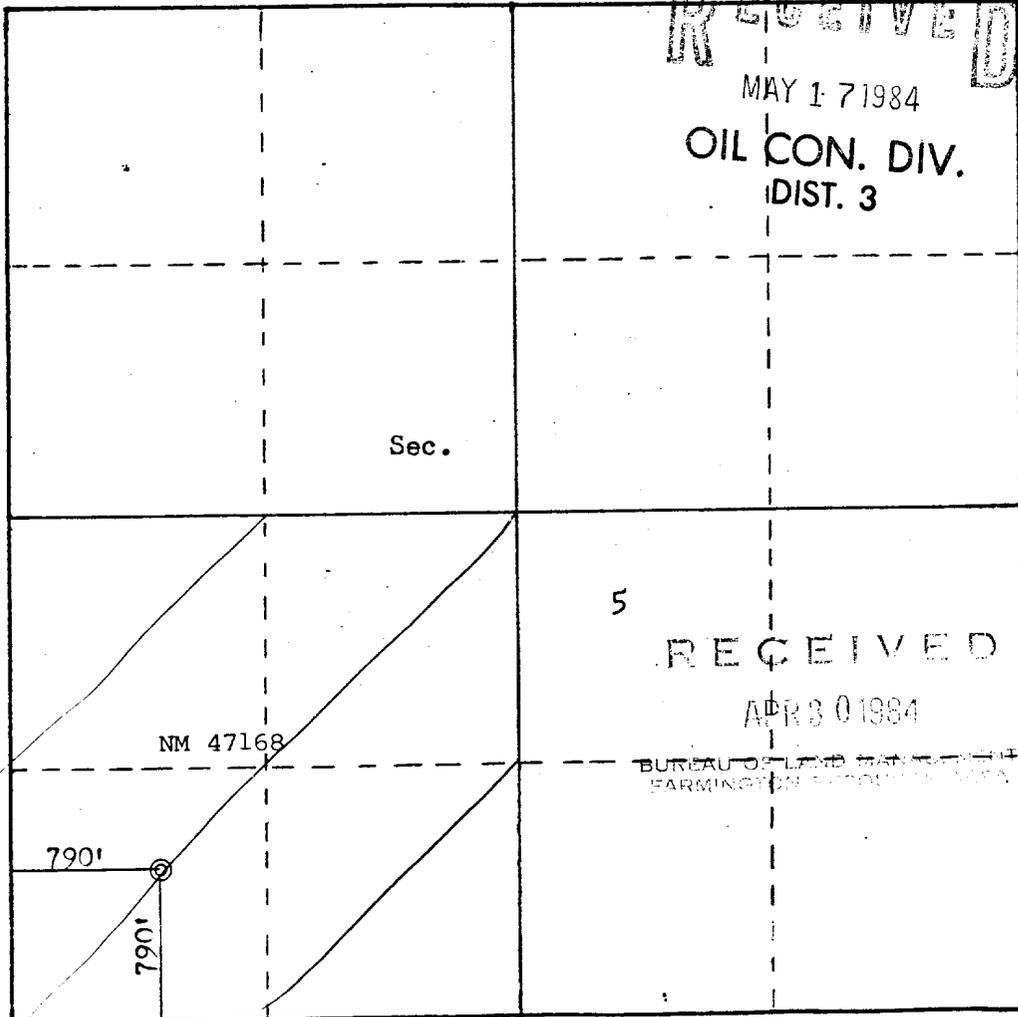
Operator <b>MERRION OIL &amp; GAS CORPORATION</b>		Lease <b>CUSTER-FEDERAL</b>		Well No. <b>1</b>
Unit Letter <b>M</b>	Section <b>5</b>	Township <b>25N</b>	Range <b>8W</b>	County <b>San Juan</b>
Actual Footage Location of Well: <b>790</b> feet from the <b>South</b> line and <b>790</b> feet from the <b>West</b> line				
Ground Level Elev: <b>6401</b>	Producing Formation <b>Gallup/Dakota</b>	Pool <b>Dufers Point Gallup Dakota</b>	Dedicated Acreage <b>160</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 \_\_\_\_\_

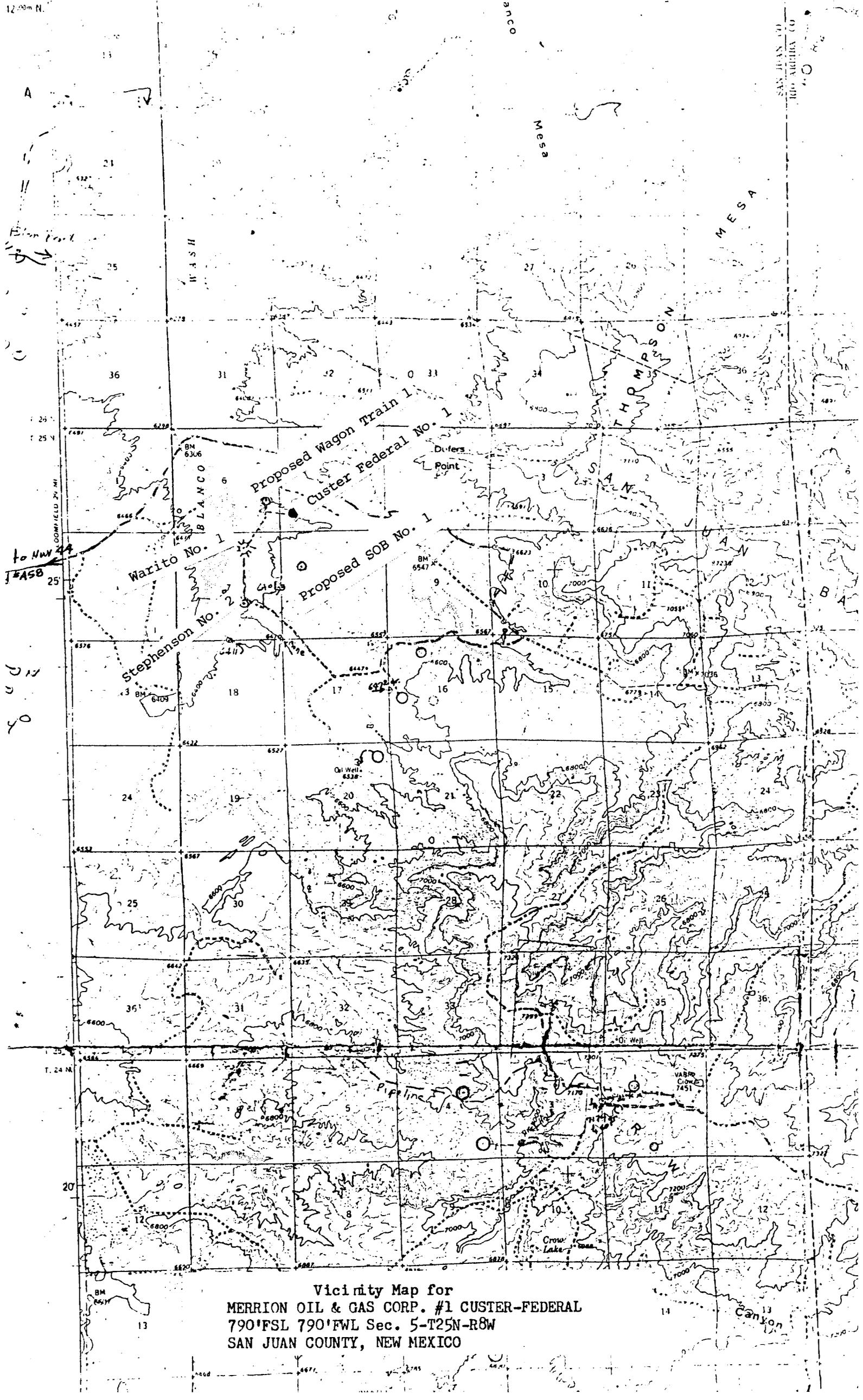
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

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'

<b>CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	<i>Steve S. Dunn</i>
Position	Operations Manager
Company	Merrion Oil & Gas Corporation
Date	3/23/84
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	March 20, 1984
Registered Professional Engineer and Land Surveyor.	<i>Fred E. Kert Jr.</i>
Certificate No.	3950



Vicinity Map for  
 MERRION OIL & GAS CORP. #1 CUSTER-FEDERAL  
 790'FSL 790'FWL Sec. 5-T25N-R8W  
 SAN JUAN COUNTY, NEW MEXICO