

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>				5. LEASE DESIGNATION AND SERIAL NO. SF-078944-A	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Merrion Oil & Gas Corporation				7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P. O. Box 840, Farmington, New Mexico 87499				8. FARM OR LEASE NAME Nelson	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1650' FNL & 790' FEL (SENE) At proposed prod. zone				9. WELL NO. 2	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 20 miles South of Farmington, New Mexico				10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
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 320		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 9, T26N, R12W	
13. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1770'		19. PROPOSED DEPTH 1325'		12. COUNTY OR PARISH San Juan	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,034' GR				13. STATE New Mexico	
23. PROPOSED CASING AND CEMENTING PROGRAM				17. NO. OF ACRES ASSIGNED TO THIS WELL N/ 320	
SIZE OF HOLE 9-3/4"		SIZE OF CASING 7"		20. ROTARY OR CABLE TOOLS Rotary	
7"		20 lb/ft		22. APPROX. DATE WORK WILL START* July, 1990	
6-1/4"		10.5 lb/ft		50 sx (59 cu.ft.)	
				130 sx (202 cu.ft.)	

Propose to drill 9-3/4" surface hole to 100' KB. Will set approximately 100 ft. of 7", J-55, 20 lb/ft surface casing at 100 ft. KB with 50 sx (59 cu.ft.) of Class "B", with 2% CaCl<sub>2</sub>. Top of cement at the surface. Wait on cement 10 hrs. Nipple up BOPS. Pressure test casing to 600 psi for 30 minutes. Drill 6-1/4" hole to total depth at 1,325 ft. Will run open hole logs. If well appears productive will set 4-1/2", J-55, 10.5 lb/ft production casing at total depth with 78 sx Class "B" with 2% D-79 (161 ft<sup>3</sup>) followed by 52 sx (63 cu.ft.) of Class "H", 2% gel. Estimated top of cement at the surface. Will perforate and stimulate as necessary to test well. Additional drilling program details attached.

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 Steven S. Dunn TITLE Operations Manager DATE 6-4-90  
(This space for Federal or State office use)

PERMIT NO. RECEIVED APPROVAL DATE AUG 21 1990  
APPROVED BY Ken Townsend DATE AUG 1 1990  
CONDITIONS OF APPROVAL, IF ANY: AUG 21 1990

OIL CON. DIV. NM000  
DIST. 3 \*See Instructions On Reverse Side

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-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

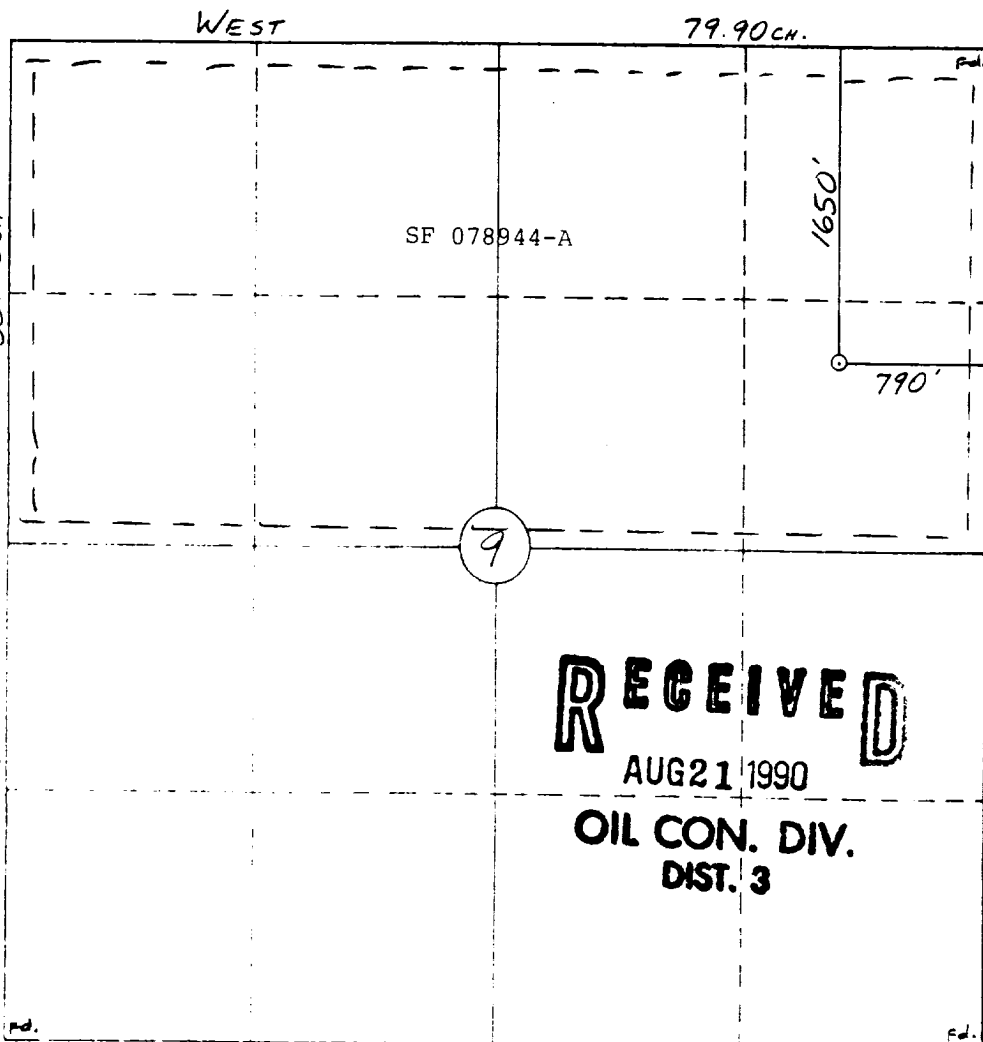
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>MERRION OIL &amp; GAS CORPORATION</b>			Lease <b>NELSON</b>		Well No. <b>2</b>
Unit Letter <b>H</b>	Section <b>9</b>	Township <b>26 N</b>	Range <b>12 W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1650</b> feet from the <b>North</b> line and <b>790</b> feet from the <b>East</b> line					
Ground level Elev. <b>6034</b>	Producing Formation <b>Fruitland</b>		Pool <b>Basin Fruitland</b>		Dedicated Acreage: <b>320</b> Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>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.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary) _____</p> <p>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.</p>					

330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0



OPERATOR CERTIFICATION

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

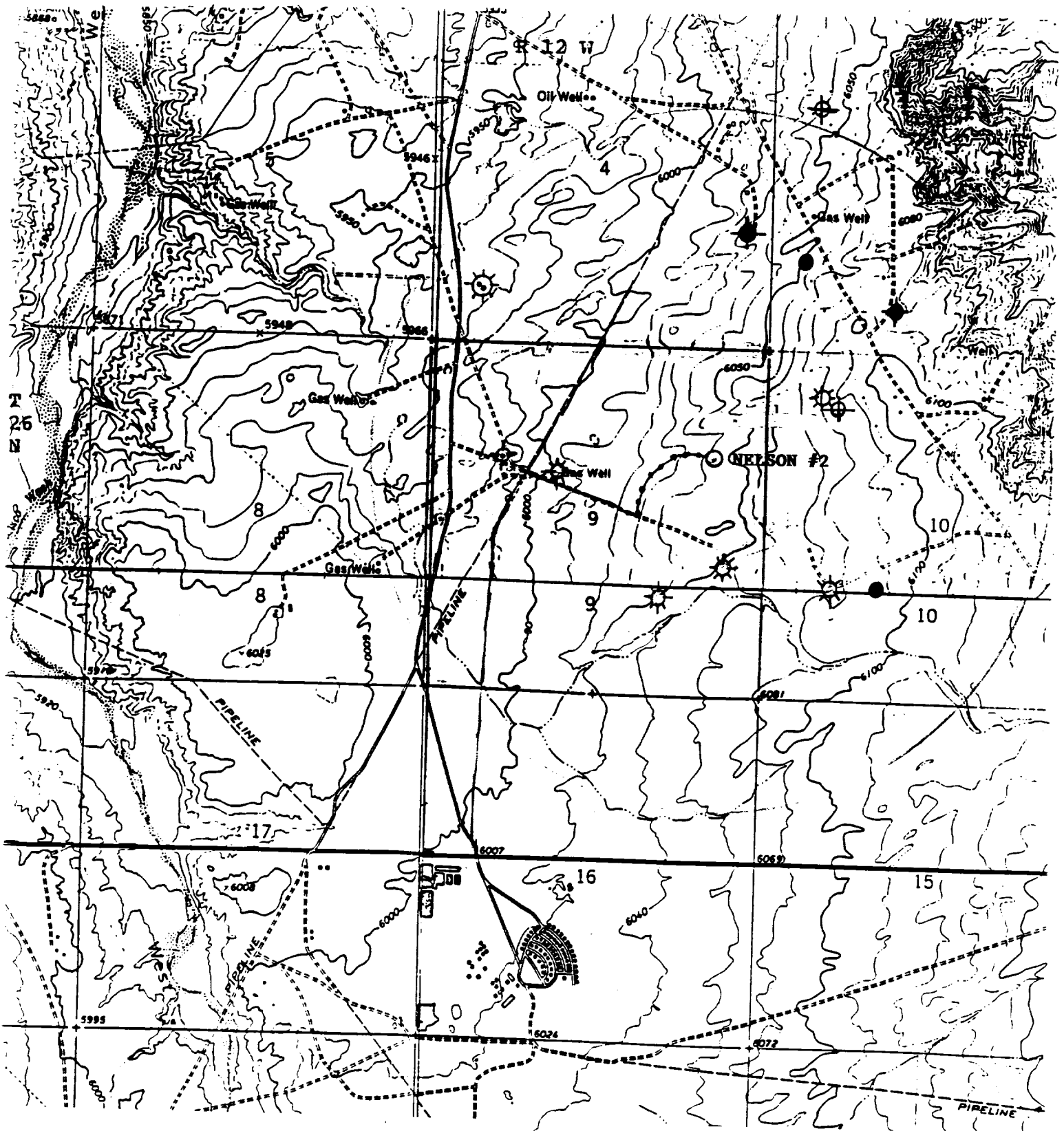
Signature  
*Steven S. Dunn*  
Printed Name  
**Steven S. Dunn**  
Position  
**Operations Manager**  
Company  
**Merrion Oil & Gas Corp.**  
Date  
**6/4/90**

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.

6-2-90

Date Surveyed  
**William E. Mahnke II**  
Signature of Surveyor  
*William E. Mahnke II*  
Professional Surveyor  
**NEW MEXICO**  
**#8466**  
Certificate No.  
**8466**  
PROFESSIONAL LAND SURVEYOR



# **LEGEND**

- PROPOSED LOCATION
- PRODUCING OIL WELL
- ☼ PRODUCING GAS WELLS
- P&A OIL WELLS
- ☼ P&A GAS WELLS

— EXISTING ROAD

..... PROPOSED NEW ACCESS ROAD

— LEASE BOUNDARY

**MERRION OIL & GAS CORPORATION**

## **NELSON NO. 2**

1650' FNL & 790' FEL  
 Section 9, T26N, R12W  
 San Juan County, New Mexico