

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. NM-12235	
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	
SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Merrion Oil & Gas Corporation				8. FARM OR LEASE NAME Southland	
3. ADDRESS OF OPERATOR P. O. Box 840, Farmington, New Mexico 87499				9. WELL NO. 10	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 790' FSL & 790' FWL (SWSW) At proposed prod. zone				10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 20 miles South of Farmington, New Mexico				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 3, T26N, R13W	
13. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 790'		16. NO. OF ACRES IN LEASE 1120		17. NO. OF ACRES ASSIGNED TO THIS WELL 5/320	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1600'		19. PROPOSED DEPTH 1270'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,236' GR				22. APPROX. DATE WORK WILL START* July, 1990	
23. PROPOSED CASING AND CEMENTING PROGRAM This section is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3185.4. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
9-3/4"	7"	20 lb/ft	100'	50 sx (59 cu.ft.)	
6-1/4"	4-1/2"	10.5 lb/ft	1270'	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% CaCl₂. 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 1,270 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 ft³) 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.

NOT TO BE USED FOR ANY OTHER PURPOSES
holds legal title to the lease.

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 <u>Steven S. Dunn</u> TITLE <u>Operations Manager</u> DATE <u>6-4-90</u>	
(This space for Federal or State official use)	
PERMIT NO. <u> </u>	APPROVAL DATE <u> </u>
APPROVED BY <u> </u> TITLE <u> </u>	
CONDITIONS OF APPROVAL, IF ANY:	

RECEIVED
SEP 07 1990

AS AREA MANAGER
SEP 07 1990

Oil CON. DIV
DIST. 3
NM000
*See Instructions On Reverse Side
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

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 SOUTHLAND		Well No. 10
Unit Letter M	Section 3	Township 26 N	Range 13 W	County San Juan	
Actual Footage Location of Well: 790 feet from the South line and 790 feet from the West line					
Ground level Elev. 6236		Producing Formation Fruitland		Pool Basin Fruitland	
					Dedicated Acreage: 320 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 _____

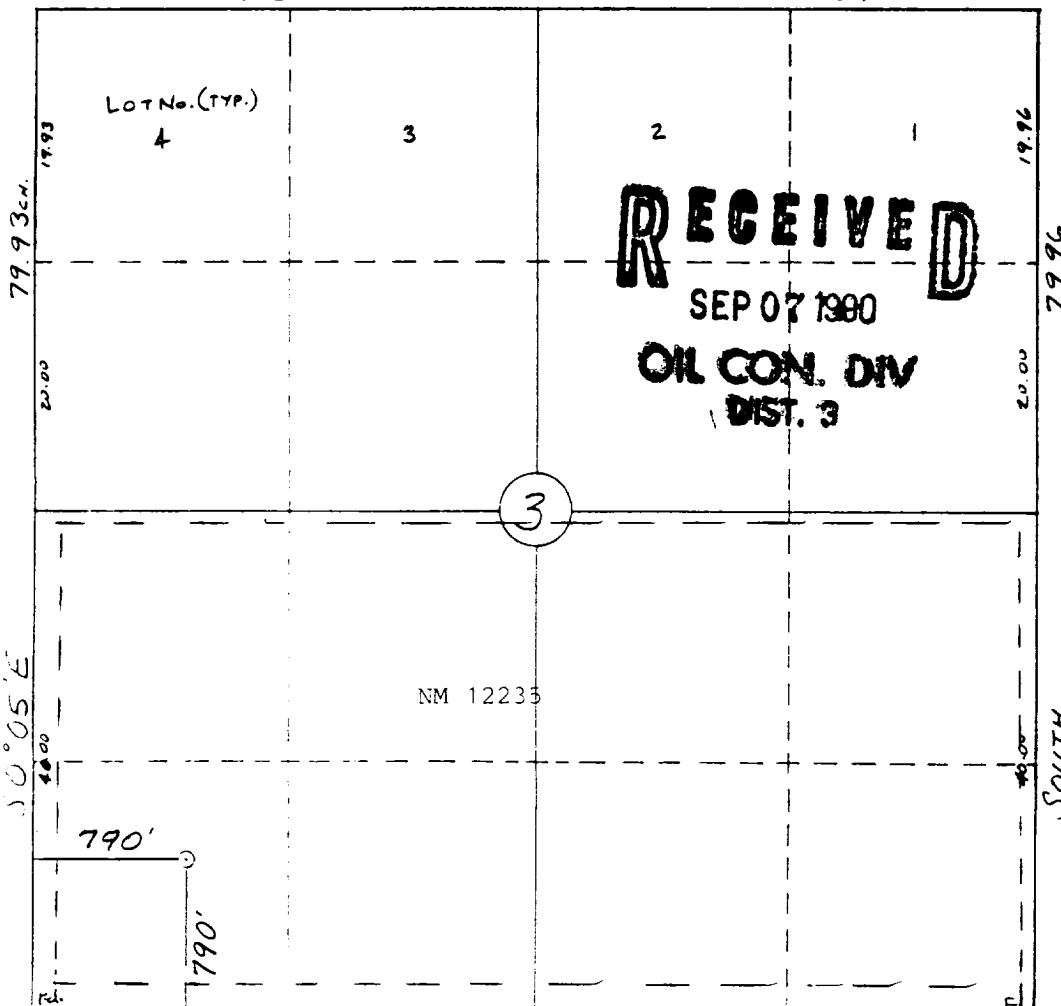
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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.

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

WEST

80.00 CH.



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

Operations Manager

Position

Merrion Oil & Gas Corp.

Company

6/4/90

Date

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 & Seal of Professional Surveyor

[Signature]
#8466
Certificate No. 8466
PROFESSIONAL LAND SURVEYOR