

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

RECEIVED
JAN 27 1998
OIL CON. DIV.
DIST. 3

Form C-10
Revised October 18, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copy
Fee Lease - 5 Copy

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address. Merrion Oil & Gas Corporation 610 Reilly Avenue Farmington, New Mexico 87401		² OGRID Number 014634
		³ API Number 30 - 045 - 29516
⁴ Property Code 22342	⁵ Property Name Shank Com	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	2	26N	13W		1840	North	1840	West	San Juan

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 Basin Fruitland Coal 71629 W/319.96					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 6045'
¹⁶ Multiple No	¹⁷ Proposed Depth 1383' KB	¹⁸ Formation Fruitland Coal	¹⁹ Contractor L&B Speed Drill	²⁰ Spud Date As Soon As Permitted

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8-3/4"	7" J55	23 ppf	~120' KB	~30 sx (36 cuft)	Surface
6-1/4"	4-1/2" J55	10.5 ppf	~1383' KB	~113 sx (166 cuft)	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Merrion Oil & Gas proposes to drill 8 3/4" hole with native mud to approx. 120' KB and set 7" 23# J55 surface casing, cement to surface with ~30 sx 'B' w/ 2% CaCl₂ (36 ft³). Will drill 6 1/4" hole to TD @ approx. 1383' KB with low solids non-dispersed gel mud system. Run open hole surveys. If appears productive, will set 4 1/2" 10.5 ppf J55 production casing from TD to surface. Will cement with 25 sx 'B' (30 ft³) lead slurry followed by 38 sx 'B' w/ 2% SMS (77 ft³) and tail in with 50 sx 'B' (59 ft³) cement to fill from total depth to surface. Top of cement should circulate to surface (will adjust volumes based upon caliper log). If cement does not reach surface, a temperature log or cement bond log will be run to determine top of cement.

Will test Fruitland Coal through perforated casing. Will fracture stimulate and put on for production test.

Drilling operations below surface casing will be conducted with a bag type BOP in place, minimum working pressure 1000 psig.

Surface is owned by Navajo Tribe for NIIP operation. Will negotiate with NAPI for approval to use surface.

Formation tops: Ojo Alamo - Surface, Kirtland - 76', Fruitland - 800', Fruitland Coal - 1211', Pictured Cliffs 1233'.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: Steven S. Dunn

Title: Drilling & Production Manager

Date: January 26, 1998

Phone: 505-327-9801

OIL CONSERVATION DIVISION

Approved by:

Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3

Approval Date:

JAN 28 1998

Expiration Date:

JAN 28 1999

Conditions of Approval:

Attached ☐

HOLD C-104 FOR NSL

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-29516	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 22342	⁵ Property Name Shank Com	⁶ Well Number 1
⁷ OGRID No. 014634	⁸ Operator Name MERRION OIL & GAS	⁹ Elevation 6045'

¹⁰ Surface Location

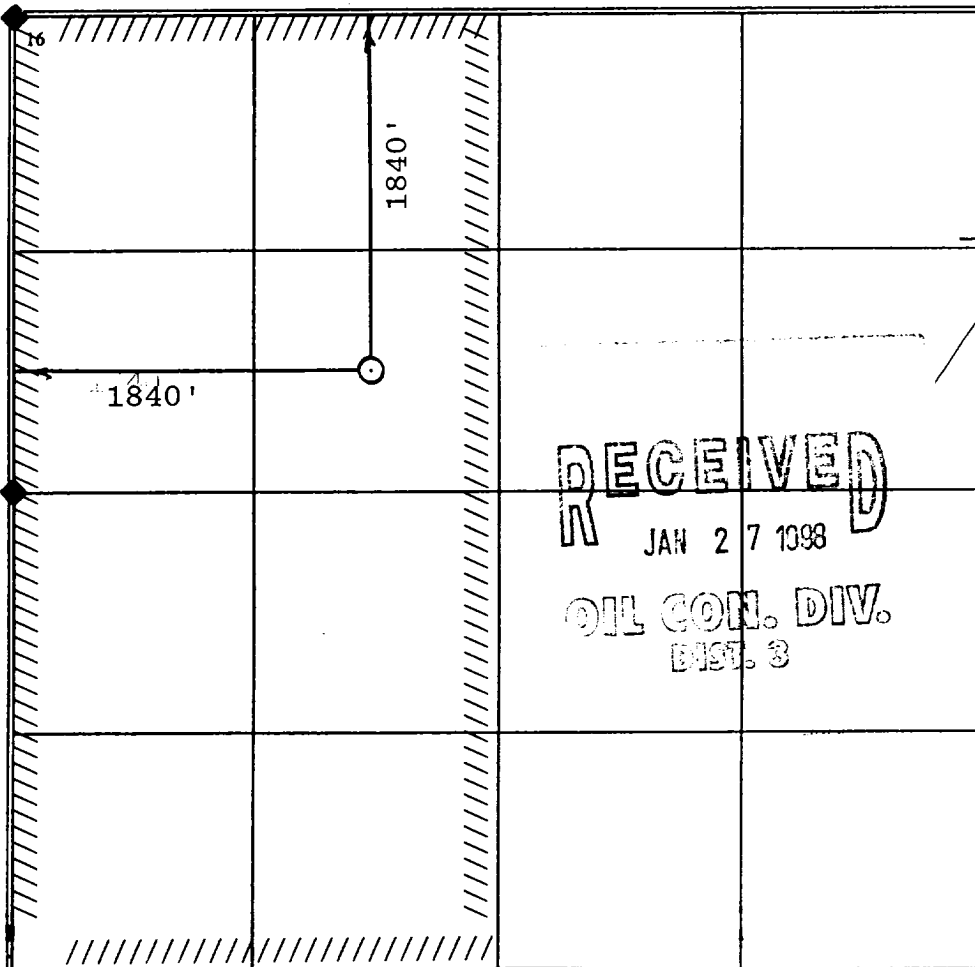


UL or lot no. F	Section 2	Township 26 N	Range 13 W	Lot Idn SENW	Feet from the 1840	North/South line North	Feet from the 1840	East/West line West	County SanJuan
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320 3/8 9a	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. In progress
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p> Signature Steven S. Dunn Printed Name Dr/rg & Prod Manager Title 1/26/98 Date</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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 belief</p> <p> Date of Survey Signature and Seal of Professional Surveyor 6844 Certificate Number</p>
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Shank Com # 1
 well pad and section

