

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ROW/APD
BLM

FORM APPROVED
Budget Bureau No. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work

DRILL ☒

DEEPEN ☐

b. Type of Well

Oil Well ☐ Gas Well ☒ Other ☐

Single Well ☒ Multiple Zone ☐

2. Name of Operator

Merrion Oil & Gas Corporation

3. Address and Telephone No.

610 Reilly Ave Farmington NM 87401
ph: (505) 327-9801

4. Location of Well (Footages)

At Surface 1755' fsl & 1010' fwl (nw sw)

At proposed prod. zone Same

14. Distance in Miles and Directions from Nearest Town or Post Office

20 miles south of Farmington NM, near Chaco Plant

15. Distance from Proposed Location to Nearest

Property or Lease Line, Ft 1010'

16. No. of Acres in Lease

156.49 acres

17. No. of Acres Assigned to This Well

W/ 312.92 acres

18. Distance from Proposed Location to Nearest Well Drilling, Completed, or Applied for, on this Lease, FT

-1858'

19. Proposed Depth

-1287'

20. Rotary or Cable Tools

Rotary

21. Elevations (Show whether DE, RT, GR, etc)

60346L

6023' GR, 6028' RKB

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

Approximate Date Work will Start

As soon as permitted

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE & GRADE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7" J55	23 ppf	~120' KB	~30 sx (36 cuft)
6-1/4"	4-1/2" J55	10.5 ppf	~1287' KB	~113 sx (172 cuft)

Merrion proposes to drill 8-3/4" hole with native mud to approx 120' and set 7" 23# J55 surface casing, cement to surface with ~30 sx 'B' w/ 2% CaCl₂ (36 cuft). Will drill 6-1/4" hole to TD @ approx 1287' KB with low solids non-dispersed mud system. Run open hole surveys. Will set 4-1/2" 10.5 ppf J55 production casing from TD to surface. Will cement with 43 sx 'B' w/ 2% SMS (89 cuft) and tail in with 70 sx 'B' (82 cuft) cement to fill from total depth to surface. A cementing chronology will be recorded and submitted to the BLM after completion of the job. Top of Cement should circulate to surface (will adjust volumes based upon caliper log if available).

A ~5 bbl water spacer will be pumped ahead of the lead slurry to prevent mud contamination of the cement.. If cement does not reach surface, a temperature log or cement bond log will be run to determine top of cement.

The production casing will be centralized through the Pictured Cliffs and Fruitland intervals.

Will test Fruitland 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. Additional drilling technical details attached.

A pipeline route approval is also proposed as part of this APD as per the enclosed plat.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal to deepen, give present productive zone and proposed new productive zone.

COPIES: BLM+4, WELL FILE+1

24. I hereby certify that the foregoing is true and correct

Signed

Connie S. Dinning Title Contract Engineer

Date December 14, 1998

(This space for Federal or State office use)

Permit No.

Approval Date

Application approval does not warrant or certify that applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any:

APPROVED BY

TITLE

DATE

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 30-045-29890	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 24850	⁵ Property Name Yip Com	⁶ Well Number 1
⁷ OGRID No. 014634	⁸ Operator Name MERRION OIL & GAS CORPORATION	⁹ Elevation 6035

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	18	26 N	12 W	NWSW	1755	South	1010	West	San Juan

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

¹² Dedicated Acres 312.92	¹³ Joint or Infill N	¹⁴ Consolidation Code In Process	¹⁵ Order No.
---	------------------------------------	--	-------------------------

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>¹⁶</p> <p>W$\frac{1}{2}$ Com in progress</p> <p>NM-23472 NM-22046</p> <p>1010'</p> <p>NO-G-1308</p> <p>1755'</p> <p>N 89° 56' E 2585'</p>	<p>RECEIVED AUG 27 1999 OIL CON. DIV. DIST. 3</p>	<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 Connie Dinning</p> <p>Printed Name Contract Engineer</p> <p>Title 12/17/98</p> <p>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</p> <p>Signature Gerald S. Hubbleston</p> <p>Scale of Professional Surveyor 6844</p> <p>REGISTERED LAND SURVEYOR 6844</p> <p>Certificate Number</p>

