

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 1740' fnl & 1835' fel (sw ne)

At proposed prod. zone Same

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

22 miles south of Farmington NM, near Chaco Plant

15. Distance from Proposed Location to Nearest

Property or Lease Line, Ft 1460'

16. No. of Acres in Lease

320 acres

17. No. of Acres Assigned to This Well

320 acres

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

+/-100'

19. Proposed Depth

+/-1250'

20. Rotary or Cable Tools

Rotary

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

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

6080' GR, 6085' RKB

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

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 (35 cuft)
6-1/4"	4-1/2" J55	10.5 ppf	~1250' KB	~96 sx (151 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 (35 cuft). Will drill 6-1/4" hole to TD @ approx 1250' 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 44 sx 'B' w/ 2% SMS (90 cuft) and tail in with 52 sx 'B' (62 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).

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 and through any usable water zones. Turbo-centralizers will be placed just below and into the base of the lowest usable water zone.

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.

The well will be drilled on the existing Dietrich 28G No. 1 pad. The road and pipeline for the Dietrich 28G No. 1 will also be utilized. There will be no additional surface disturbance for any of the drilling, completion or production operations.

HOLD C104 FOR Basin Fruitland coal plugging in Dietrich Com 28G #1

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

Steven S. Dunn

Title Drilling & Prod Manager

Date September 30, 1999

(This space for Federal or State office use)

Permit No.

Approval Date

9/6/00

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

9/6/00

NMOCD

District I
1625 N. French Dr., Hobbs, NM 88240
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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1994

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-29993		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 26638		⁵ Property Name Dietrich			⁶ Well Number 28 G # 1R
⁷ OGRID No. 014634		⁸ Operator Name MERRION OIL & GAS			⁹ Elevation 6080' <i>sf</i>

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
G	28	26 N	12 W	SWNE	1740'	North	1835'	East	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
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

<div data-bbox="186 1436 511 1776"></div>	<div data-bbox="576 989 1063 1947"></div>	<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 <i>[Signature]</i></p> <p>Printed Name CONNIE DINNING</p> <p>Title ENGINEER</p> <p>Date SEPTEMBER 21, 1999</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 and Seal of Professional Surveyor </p> <p>Certificate Number</p>

**MERRION OIL & GAS
CORPORATION**

TOPO LOCATOR MAP

DIETRICH 28 G No. 1R

1740' fml & 1835' fel (sw ne)
Sec 28, T26N, R12W, NMPM
San Juan County, New Mexico

