District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210 District III District IV

State of New Mexico **Energy Minerals and Natural Resources**

Revised March 17, 1999 Submit to appropriate District Office

Form C-101

Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505

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State Lease - 6 Copies
Fee Lease - 5 Copies

1000 Rio Brazos Road, Aztec, NM 87410 2040 South Pacheco, Santa Fe, NM 87505 AMENDED REPORT APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE ² OGRID Number Operator Name and Address 014634 Merrion Oil & Gas Corporation ⁵ Property Name Well No. Property Code 1 Knight Com ⁷ Surface Location North/South line East/West line Lot Idn Feet from the Feet from the County Range Township Section UL or lot no. 417 South 860 West San Juan 13W SW SW 30N W 36 ⁸ Proposed Bottom Hole Location If Different From Surface Feet from the North/South line Feet from the East/West line County Lot Idn Township Range UL or lot no. Section 10 Proposed Pool 2 9 Proposed Pool 1 Fulcher Kutz P (13 Cable/Rotary 14 Lease Type Code 15 Ground Level Elevation 12 Well Type Code 11 Work Type Code 5545' -G N 20 Spud Date 19 Contractor 18 Formation 17 Proposed Depth 16 Multiple When Permitted Pictured Cliffs L&B Speed Drill 1700' No ²¹ Proposed Casing and Cement Program Sacks of Cement Estimated TOC Casing weight/foot Setting Depth Casing Size Hole Size 120' 50 sx Surface 23 ppf 7" 8 1" Surface 160 sx 4 1/2" 10.5 ppf 1700' 6 1 " 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 proposes to drill 8 1 surface hole with native mud to approx. 120 and set 7" 23 ppf J55 surface casing, cement to surface with ~50 sx 'H' w/ 2% CaClz (59 cuft). Will drill 6 1 hole to TD @ approx. 1700 KB with low solids non-dispersed mud. Run open hole surveys. Will set 4 1 10.5 ppf J55 production casing from TD to surface. Will cement with ~ 100 sx 'B' 2% SMS (206 cuft) and tail in with 60 sx 'B' 2% Gel (73 cuft) cement to fill from total depth 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 find top of cement. Will test Pictured Cliffs through perforated casing. Will fracture stimulate and put on production test. Drilling operations below surface casing will be conducted with a bag-type BOP in place, minimum working-pressure - 1000 psig. This well is located within the city limits of Farmington and a city special use permit and Oil & Gas permit will be obtained prior to commencing drilling. A second well, the Heights Com 1E Dakota, will be drilled on the same pad. Tops: Ojo Alamo - Surface, Kirtland - 13', Fruitland - 1105', Pictured Cliffs - 1478'. at the information given above is true and complete to the OIL CONSERVATION DIVISION 23 I hereby certify best of my know Approved by Signature: Printed name: Steven S. Dunn Title: Expiration Date: Title: Drilling & Production Manager

Conditions of Approval:

Attached 🔲

MAL NSL

Phone: 505.327.9801

Date: November 15, 2000

State of New Mexico Energy. Minerals & Mining Resources Department

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