

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

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

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
⁴ Property Code 23187	⁵ Property Name Katherine Pierce Com	³ API Number 30 - 045 - 30457
		⁶ Well No. 1E

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
P	26	30N	12W	ne se	1170'	South	1235'	East	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 Basin Dakota					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N -	¹² Well Type Code G -	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code P -	¹⁵ Ground Level Elevation 5687' -
¹⁶ Multiple No -	¹⁷ Proposed Depth 6580' KB -	¹⁸ Formation Dakota	¹⁹ Contractor Aztec Well Service	²⁰ Spud Date February, 2001

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24 ppf	320'	200 sx	Surface -
7 7/8"	4 1/2"	10.5 ppf	6580' -	850 sx	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 proposes to drill 12 1/4" surface hole with native mud to approx. 320' and set 8 5/8" 24ppf J55 surface casing, cement to surface with 200 sx 'H' w/ 2% CaCl₂ (236 cuft). Will drill 7 7/8" hole to TD @ approx. 6580' KB with low solids non-dispersed mud. Run open hole surveys. Will set 4 1/2" 10.5ppf J55 production casing from TD to surface. Will cement in two stages: first stage with 100 sx 'B' 35:65 Pozimix w/ 12% Gel (292 cuft) and tail in with 200 sx 'B' 2% Gel (244 cuft) cement to fill from total depth across the Dakota pay zones and above the Gallup formation; second stage DV tool will be set at ~4450' KB at the Mancos top, will cement with 400 sx 'B' 35:65 Pozimix w/ 12% Gel (1164 cuft) and tail in with 150 sx 'B' 2% Gel (183 cuft) cement to fill from DV tool to surface (Will adjust volumes based upon caliper log).

Will test Dakota pay through perforated casing. Will fracture stimulate and put on production test. Drilling operations below surface casing will be conducted with a double-ram BOP in place, minimum working pressure - 2000 psig.

Tops: Ojo Alamo - 152', Kirtland - 426', Fruitland - 1334', Pictured Cliffs - 1762', Lewis - 1950', Cliffhouse - 3444', Menefee - 3494', Pt. Lookout - 4144', Mancos - 4434', Gallup - 5392', Greenhorn - 6127', Graneros - 6200', Dakota - 6239'.

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:

December 21, 2000

Phone: 505-327-9801

OIL CONSERVATION DIVISION

Approved by:

Title:

DEPUTY OIL & GAS INSPECTOR, DIST. #3

Approval Date:

DEC 26 2000

Expiration Date:

DEC 26 2001

Conditions of Approval:

Attached ☐

State of New Mexico
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

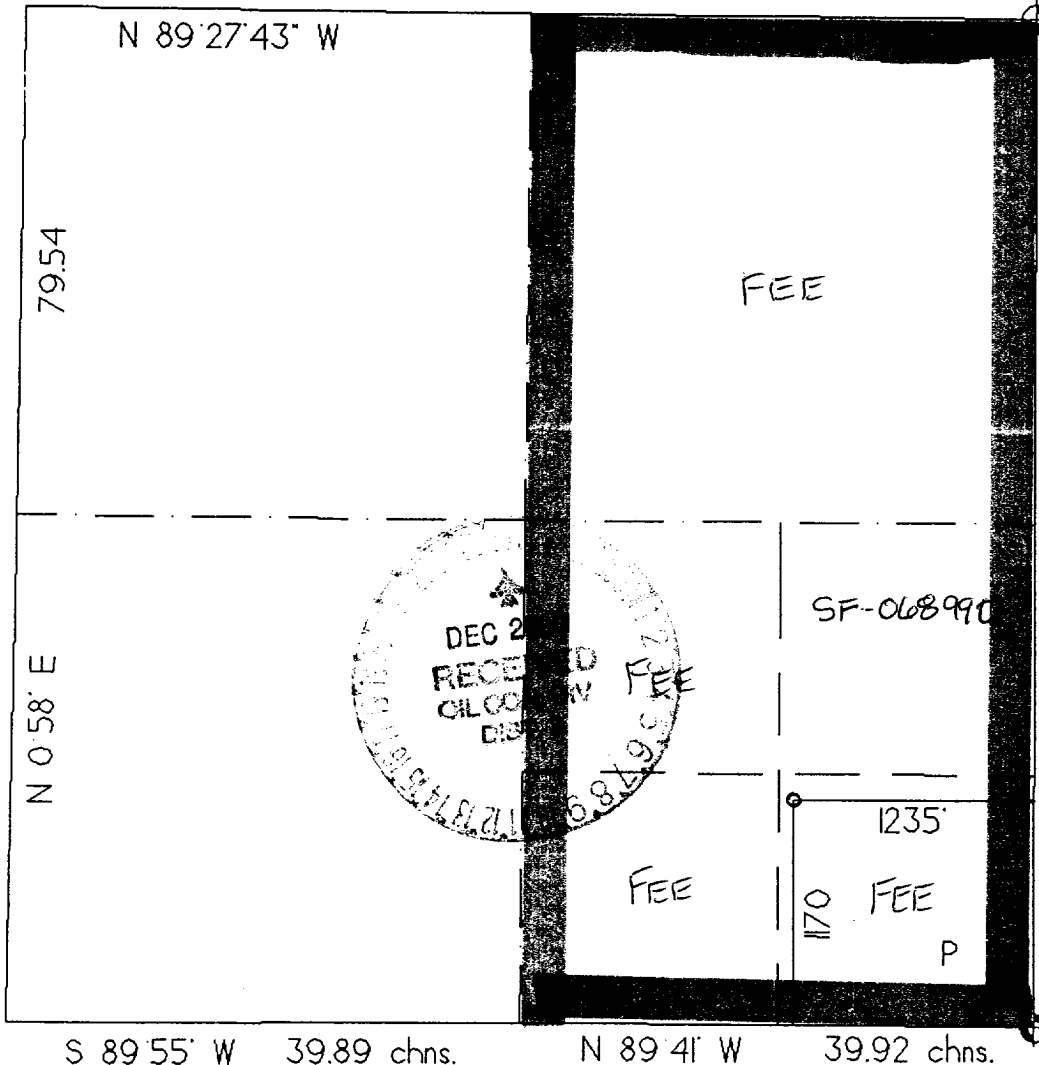
WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number 30-045-30457		Pool Code 71599 -	Pool Name BASIN DAKOTA -
Property Code 23187	Property Name Katy		Well Number 2
OGRD No. 014634	Operator Name MERRION OIL & GAS		Elevation 5687'-

Surface Location									
UL or Lot P	Sec. 26	Twp. 30 N.	Rge. 12 W.	Lot Idn.	Feet from > 1170	North/South NORTH	Feet from > 1235	East/West EAST	County SAN JUAN

Bottom Hole Location If Different From Surface														
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County					
<table border="1"> <tr> <td>Dedication -319.17</td> <td>Joint ? Y</td> <td>Consolidation C</td> <td colspan="2">Order No. IN PROGRESS</td> </tr> </table>										Dedication -319.17	Joint ? Y	Consolidation C	Order No. IN PROGRESS	
Dedication -319.17	Joint ? Y	Consolidation C	Order No. IN PROGRESS											

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Steven S. Dunn</i> Printed Name: STEVEN S. DUNN Title: DRUG-2 PROD MANAGER Date: 12-21-00	
SURVEYOR CERTIFICATION I hereby certify that the well location 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. Date of Survey: 8 November 2000 Signature: <i>Gerard G. Huddleston</i> Professional Seal:	