UNITED STATES **BURFAU OF LAND MANAGEMENT**

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

DEPARTMENT OF THE INTERIOR Í RECEIVE 5. Lease Designation and Serial No. APPLICATION FOR PERMIT TO DRILL OR DEEPEN NM-033047 6. If Indian, Allottee or Tribe Name la. Type of Work DEEPEN | DRILL 🛛 🔿 7. If Unit or CA, Agreement Designation b. Type of Well Single Well Multiple Zone Gas Well Other 8 Well Name and No 2. Name of Opera Merrion Oil & Gas Corporation Hi Roll No. 3R Address and Telep 9. API Well No. 610 Reilly Ave Farmington NM 87401 ph: (505) 327-9801 hW 10. Field and Pool, or Explatory Are Location of Well (Footages) **Pictured Cliffs** 1480'-fnl &-1830' fel (🚧 ne) 🏑 At Surface WAN Friend 1580 11. Sec., T., R., M., or BLK Same and Survey or Area At proposed prod. zon-DSection 35, T27N, R13W 12. County or Parish 13. Stete 14. Distance in Miles and Directions from Nearest Town or Post Office San Juan NM 18 miles south of Farmington NM, near Chaco Plant 15. Distance from Proposed (Also to nearest drig. unit line, if any) 16.No. of Acres in Lease 17 No. of Acres Assigned to This Well Location to Nearest 160 acres 640 acres 1460' Property or Lease Line, Ft 19. Proposed Depth 20 Rotary or Cable Tools 18. Distance from Proposed Location to Nearest Well Drilling, Completed, Rotary +/~100' or Applied for, on this Lease, FT 22. Approximate Date Work will Start 21 Elevations (Show whether DF, RT, GR, etc) 6999' GR, 6005' RKB As soon as permitted PROPOSED CASING AND CEMENTING PROGRAM SETTING DEPTH QUANTITY OF CEMENT SIZE & GRADE OF CASING WEIGHT PER FOOT SIZE OF HOLE ~30 sx (36 cuft) ~120' KB 23 ppf 8-3/4" 7" J55 ~1400' KB ~ ~105 sx (170 cuft) 10.5 ppf 4-1/2" J55 6-1/4" 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 1385' 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 52 sx 'B' w/ 2% SMS (107 cuft) and tail in with 53 sx 'B' (63 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 Hi Roll No. 3 pad. The read and pipeline for the Hi Roll No. 3 will also be utilized. There will be no additional surface disturbance for any of the drilling, completion or production operations. CHILLING GRERATIONS AUTHORIZED ARE This assists is subject to testinical and SUBJECT TO COMPENANCE WHEN ATTACHED procedured recises promoted to 48 OFF, 2160.3 and appeal purcuant to 43 CFR 3105.4. "GENERAL REQUIREMENTS". IN ABOVE SPACE DISCRIBE PROPOSED PROGRAM: If proposal to deepen, give present productive zone and proposed new productive zone COPIES: BLM+4, WELL FILE+1 Λ

24. I hereby certif Title Drilling & Prod Manager Date August 18, 1999 Steven S. Dunn Signed Permit No.

Approval Date

Approval does not warrant or certify thatt applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon APPROVED BY: NMOCD

Distribution: O+4 (BLM); 1-Accounting; 1- Land; 1-File **UNITED STATES** FORM APPROVED Form 3160-5 Budget Bureau No. 1004-0135 June 1990) DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NM-033047 Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. 55 If Indian, Allottee or Tribe Name Use "APPLICATION FOR PERMIT--" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE Type of Well
Oil Gas X Well Well Well Name and No. Name of Operator Hi Roll No. 3R API Well No Merrion Oil & Gas Corporation (14634)Address and Telephone No. 610 Reilly Avenue, Farmington, NM 87401-2634 (505) 327-9801 Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 1110' fnl & 1580' fel (nw ne) San Juan County, Section 35, T27N, R13W **New Mexico** CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION Abandonment Change of Plans Notice of Intent **New Construction** Recompletion Non-Routine Fracturing Subsequent Report Plugging Back Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Dispose Water Other **Location Change** (Note: Report results of multiple completion on Completion or Recompletion Report and Log form.) Describe Proposed or completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)* NAPI representatives requested that the location of this well be changed to avoid conflict with their operations. We have restaked the location as listed above. A form C-102 and a cut/fill diagram are attached. I hereby certify that the foregoing is true a 5/18/00 Engineer Date Signed Connie S. Dinning (This space for Federal or State office use) Title Date Approved By Conditions of approval, if any: Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements

or representations as to any matter within its jurisdiction.

District I 37) Box 1980, Hobbs, NM 88241-1980. District II P) Drawer DU, Artesia, NN 88211-0719 District III 1000 Rin Bruzin Rd., Azlec, NM 87410

PO Box 2008, Santa Fe, NM 87504-2088

District IV

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

27 111 03 51 12: 53 AMENDED REPORT

Certificate Number

		WE	LL LO	CATION	I AND ACR	EAGE DEDI	CATION PL	AT		
			1 Pool Code 37190		WAW Fruitland Sand Pictured Cli					
* Property Code		Property Name Hi Roll							* Well Number 3 R	
OGRID No.		Operator Name MERRION OIL & GAS						* Ecvation 5998 1—		
014034				MIDITE	10 Surface				······································	
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UL or let no.	Section	Towaship	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County	
Dedicated Acr				n Code 11 (
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				N	6 7 ₹ 3 3 M-033047		Printed Na Engi	Connie S. Dinning Printed Name Engineer Title May 18, 2000		
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	A. C.							684	200	

