

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address MERRION OIL & GAS CORP 610 REILLY AVE FARMINGTON, NM 874012634		2. OGRID Number 14634
		3. API Number 30-045-33758
4. Property Code 35721	5. Property Name REGGAE.COM	6. Well No. 002

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	16	26N	11W	P	815	S	881	E	SAN JUAN

**8. Pool Information**

BASIN FRUITLAND COAL (GAS)	71629
KUTZ PICTURED CLIFFS, WEST (GAS)	79680

**Additional Well Information**

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 6270
14. Multiple Y	15. Proposed Depth 1710	16. Formation Fruitland Coal	17. Contractor	18. Spud Date 5/1/2006
Depth to Ground water 200		Distance from nearest fresh water well 350		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 770 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	8.75	7	20	120	30	0
Prod	6.25	4.5	10.5	1710	142	0

**Casing/Cement Program: Additional Comments**

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**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	1000	1000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. <b>I further certify that the drilling pit will be constructed according to NMOCB guidelines</b> <input checked="" type="checkbox"/> <b>a general permit</b> <input type="checkbox"/> <b>, or an (attached) alternative OCB-approved plan</b> <input type="checkbox"/> . Printed Name: Electronically filed by Steven Dunn Title: Production Manager Email Address: sdunn@merrion.bz Date: 5/23/2006	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Charlie Perrin	
	Title: District Supervisor	
	Approved Date: 5/31/2006	Expiration Date: 5/31/2007
	Phone: 505-327-9801	

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102  
 Permit 24518

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-33758	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 35721	5. Property Name REGGAE COM	6. Well No. 002
7. OGRID No. 14634	8. Operator Name MERRION OIL & GAS CORP	9. Elevation 6270

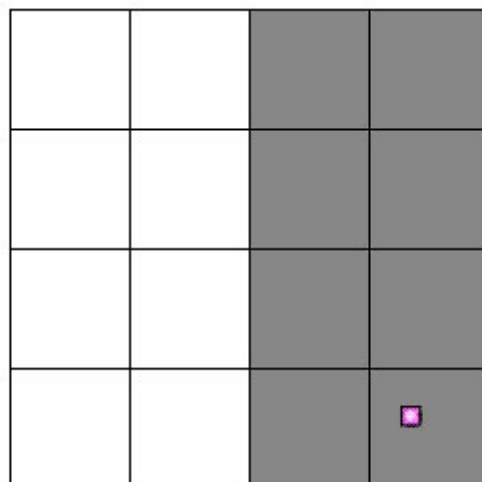
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code Communitization	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**



**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

E-Signed By: Steven Dunn  
 Title: Production Manager  
 Date: 5/23/2006

**SURVEYOR CERTIFICATION**

*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.*

Surveyed By: Gerald Huddleston  
 Date of Survey: 4/7/2003  
 Certificate Number: 6844

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-33758	2. Pool Code 79680	3. Pool Name KUTZ PICTURED CLIFFS, WEST (GAS)
4. Property Code 35721	5. Property Name REGGAE COM	6. Well No. 002
7. OGRID No. 14634	8. Operator Name MERRION OIL & GAS CORP	9. Elevation 6270

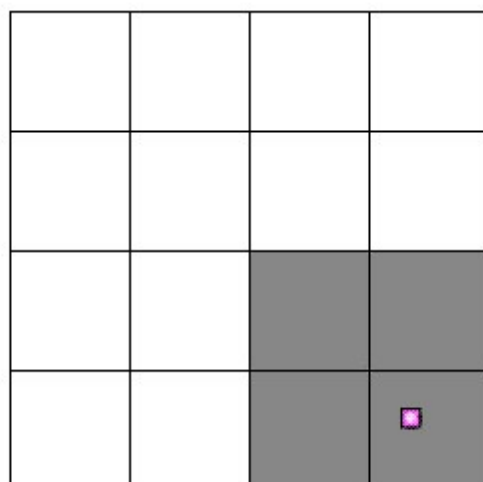
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code Communitization		15. Order No.			

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 Certificate Number: 6844

## Permit Comments

Operator: MERRION OIL & GAS CORP , 14634

Well: REGGAE COM #002

API: 30-045-33758

Created By	Comment	Comment Date
KSHARP	Per Jeff Albers in the State Land Office, drilling restrictions on this land have been resolved: ok to permit well.	5/25/2006