Submit to Appropriate
District Office
State Lease – 6 copies
Fee Lease – 5 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

MAR 14 1994

Form C-101
Revised 1-1-89

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease STATE [XX] FEE [ ]

6. State Oil & Gas Lease No. K3200

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
DRILL [ ] RE-ENTER [ ] DEEPEN [ ] PLUG BACK [X]

b. Type of Well:
OIL WELL [ ] GAS WELL [XX] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [ ]

7. Lease Name or Unit Agreement Name

2. Name of Operator: Merit Energy Company

8. Well No. State Q Com #1

3. Address of Operator: 12222 Merit Drive, Suite 1500 Dallas, Texas 75251

9. Pool name or Wildcat: Happy Valley Strawn (proposed)

4. Well Location
Unit Letter L : 2235 Feet From The south Line and 660 Feet From The west Line

Section 34 Township 21S Range 26E NMPM Eddy County

10. Proposed Depth	11. Formation	12. Rotary or C.T.
11370 P.B.T.D.	Strawn	

13. Elevations (Show whether DF, RT, GR, etc.)	14. Kind & Status Plug. Bond	15. Drilling Contractor	16. Approx. Date Work will start
3293 GR			

17. Existing ~~PROPOSED~~ CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2	13 3/8		425	475	surface
12 1/4	9 5/8		2582	1600	surface
8 1/2	7		8500	260	6450
6 1/4	5" liner		8270-11476	495	

Well is currently completed in the Happy Valley Morrow with perforations at 11086-11180. We wish to recomplete well to the Strawn reservoir. If successful we will make application to downhole commingle the production from the Morrow and Strawn reservoirs.

Procedure is attached.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sheryl J. Carruth TITLE Regulatory Manager DATE 3/2/94

TYPE OR PRINT NAME Sheryl J. Carruth TELEPHONE NO 214-701-8377

(This space for State Use)

APPROVED BY [signature] TITLE Acting Dist. Supervisor DATE 3-22-94

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 9-22-94
UNLESS DRILLING UNDERWAY