

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Submit in Triplicate\*

(Other instructions on reverse side)

FORM APPROVED  
Budget Bureau No. 1004-1036  
Expires: December 31, 1991

Case Designation and Serial No.

100-2634 NM 0517342

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work

DRILL ☒

DEEPEN ☐

RESUBMISSION

b. Type of Well

☐ DM

☒ DM

☐ Other

Single Zone ☒

Multiple Zone ☐

2. Name of Operator

Merit Energy Company

14591

3. Address and Telephone No.

12222 Merit Drive 1500 Dallas Tx 75252 (972)701-8377

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At Surface:

Unit B, Sec 4, T21S, R27E, 660 FNL 1980 FEL-Eddy County, NM

At proposed prod. zone:

Same as above

14. Distance in miles and direction from nearest Town or Post Office\*

6 miles -Northeast of Carlsbad, NM

15. Distance from proposed\* location to nearest property or lease line, Ft. (Also to nearest drlg unit line, if any)

660' FNL

16. No. of acres in lease

298

17. No. of acres assigned to this well

40(forty)

18. Distance from proposed location\* to nearest well drilling, completed, or applied for, on this lease, ft

1320'

19. Proposed Depth

6650'

20. Rotary or Cable Tools

Rotary

21. Elevations (Show whether DF, RT, GR, ect.)

GR 3196'

22. Approx date work will start\*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Grade, Size of Casing	Weight Per Foot	Setting Depth	Quantity of Cement
17 1/2	13 3/8	54.5	650'	570sx Class C Circ
11	8 5/8	24	@2700 1750 *	343sx Class C Circ
7.875	5 1/2	15.5	6650	518sx class C, 356sx C H tie b

Merit Energy Company proposes to drill and test the Bone Springs formation. Approx 650' surface casing will be set & circulated to surface. Approx 1750' intermediate casing will be ran & cemented to surface, if commercial production casing will be ran. cemented tying back into 8 5/8 casing perforated and stimulated as needed.

Mud Program FW to 650', cut Brine to 6650'.

none til after intermediate

BOPE Program: BOPE will be installed at the offset and tested daily for operational condition.

\* Spoke w/ Armando Lopez 3/13/97 w/ BLM. Will require operator to extend 8 5/8" casing to @ 2700' for reef protection string.

Bryan Arment. OCB

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

*Russell White*

Title West District, Operations Manager

Date

1-14-97

(This space for Federal or State office use)

Permit No.

Approval Date

Application approval does not warrant or certify that the applicant hold legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any:

Approved by ORIG. SGD. TONY L. FERGUSON Title

ADM. MINERAL

Date

2-27-97

\*See Instruction of Reverse Side

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  
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

DISTRICT IV  
PO BOX 2088, SANTA FE, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code <b>96335</b>	Pool Name <b>Burton Flats Bone Springs</b>
Property Code	Property Name <b>FEDERAL "4" COM.</b>	Well Number <b>2</b>
OGRID No.	Operator Name <b>MERIT ENERGY COMPANY</b>	Elevation <b>3196</b>

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	4	21 S	27 E		660	NORTH	1980	EAST	EDDY

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

Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.
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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

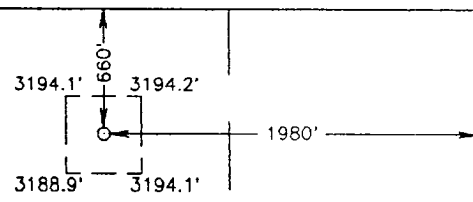
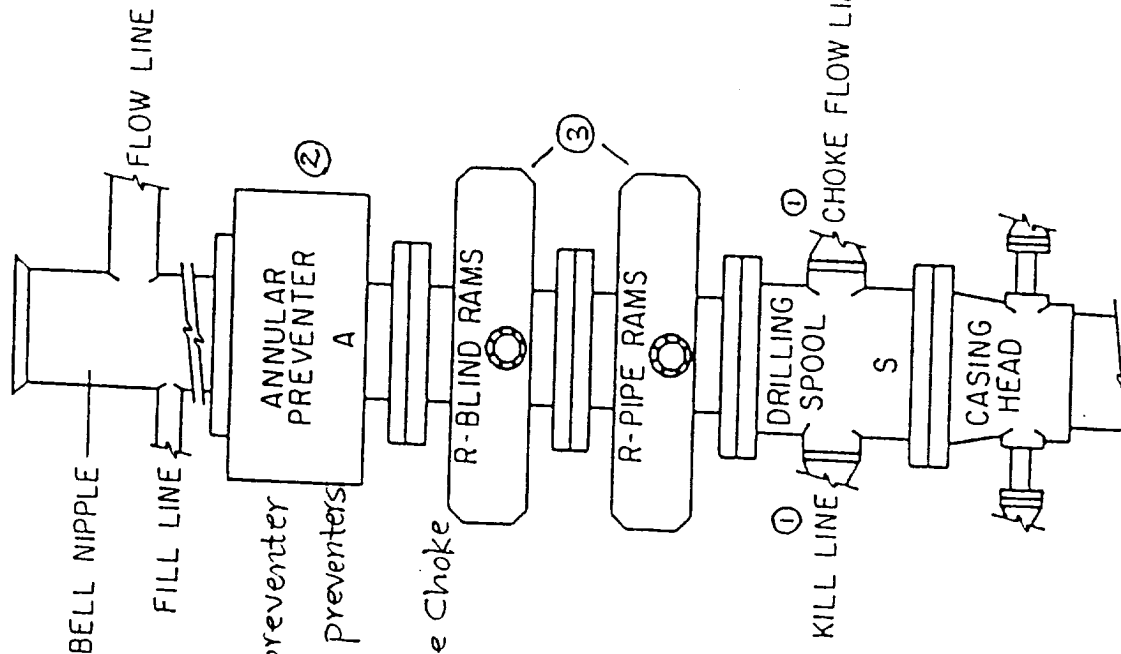
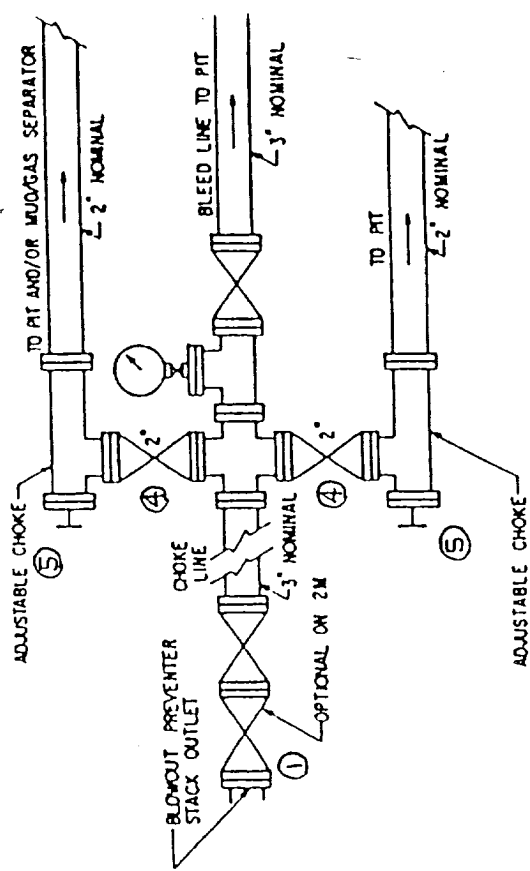
				<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  <u><i>Russell Whited</i></u> Signature <u>Russell Whited</u> Printed Name <u>Operations Supt</u> Title <u>6-12-95</u> Date
				<b>SURVEYOR CERTIFICATION</b>  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.  APRIL 28, 1995 Date Surveyed Signature & Seal of Professional Surveyor <u><i>Ronald S. Eidson</i></u> 5-02-95 W.D. Num 95-11-0670
				Certificate No. JOHN W. WEST 676 RONALD S. EIDSON 3235 PROFESOR EIDSON 3264

Exhibit B



- ① 3" Series 900 Valve
- ② Series 900 Annular preventer
- ③ Series 900 Ram-Type preventers
- ④ 2" series 900 valve
- ⑤ 2" Series 900 Adjustable Choke



3000 PSI  
Working Pressure  
(Series 900 Flanges)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-1035  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir  
Use "APPLICATION FOR PERMIT--" for such proposals

***SUBMIT IN TRIPLICATE***

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Merit Energy Company

3. Address and Telephone No.

12222 Merit Drive, Suite 1500 Dallas, TX 75251 972-701-8377

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit B 660' FNL - 1980' FEL  
Sec 4 T21S R27E

5. Lease Designation and Serial No.

NM - 0517342

6. If Indian, Allottee of Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Fed 4-#2

9. API Well No.

10. Field and Pool, or Exploratory Area

Burton Flats Bone Spring #9633

11. County or Parish, State

Eddy, New Mexico

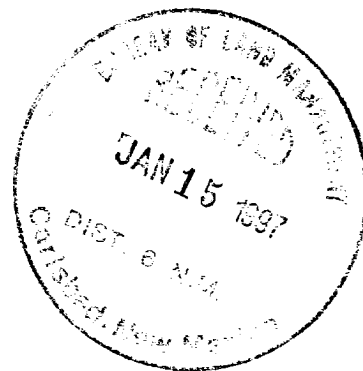
12. **CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input checked="" type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other: Change in csg. design	<input type="checkbox"/> Dispose Water

(Note: Report of multiple completion on Well Completion or Recompletion Report and Log form )

13. 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.)\*

Apply for drilling & completion approval



14. I hereby certify that the foregoing is true and correct

Signed Russell Whitel

Title West District, Operations Supt

Date 13-Jan-97

(This space for Federal or State office use)

Approved by \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

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.

\*See Instruction of Reverse Side

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work

DRILL ☒ DEEPEN ☐

b. Type of Well

☒ NA ☐ C&M ☐ Other

Single Zone ☐

2. Name of Operator

Merit Energy Company

3. Address and Telephone No.

P.O. Drawer NN - Jal, NM 88252 (505)395-2173

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At Surface: Unit Letter B - Sec 4, T21S R27E  
660' FNL and 1980' FEL - Eddy County, NM  
At proposed prod. zone: Same as above

5. Lease Designation and Serial No.

NM - ~~888~~ 0517342

6. If Indian, Allottee of Tribe Name

7. If Unit or C.A. Agreement Designation

~~XXXXXX~~

8. Well Name and No.

Federal 4 ~~888~~ #2

9. API Well No.

10. Field and Pool, or Wildcat

Burton Flats - Bone Springs  
Pool # 96335

11. Sec., T., R., M., or B&L, and Survey or Area

Sec 4 - T21S R27E

14. Distance in miles and direction from nearest Town or Post Office\*

6 miles Northeast of Carlsbad, NM

12. County or Parish

Eddy

13. State

NM

15. Distance from proposed\* location to nearest property or lease line, Ft.  
(Also to nearest drlg unit line, if any)

660' FNL

16. No. of acres in lease

298

17. No. of acres assigned to this well

40(forty)

18. Distance from proposed location\* to nearest well drilling, completed, or applied for, on this lease, ft

1320'

19. Proposed Depth

6650'

20. Rotary or Cable Tools

Rotary

21. Elevations (Show whether DF, RT, or ~~CR~~ect.)

3196'

22. Approx date work will start\*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Grade, Size of Casing	Weight Per Foot	Setting Depth	Quantity of Cement
12 1/4	8 5/8	24#	650	570sx Class C (Circ)
7 7/8	5 1/2	15.5#	6650	518sx Class C (Circ)
			2750' DV Tool	556sx Class H (no back)

Merit Energy Company proposes to drill and test the Bone Springs & intermediate formations. Approx. 650' surface casing will be set & circulated to surface. If well is commercial, production casing will be ran & cemented circulating to surface, perforated & stimulated as needed for production.

Mud Program FW to 650', cut Brine to 2750', cut brine to 6650'.

ROPE Program: ROPE will be installed at the offset and tested daily for operational condition.

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

*Harold M. White*

Title West District, Operations Supt

Date

June 14, 1995

(This space for Federal or State office use)

Permit No.

Approval Date

Application approval does not warrant or certify that the applicant hold legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any:

Approved by

*D. Burke*

Title

*Acting*  
*Area Manager*

Date

7/24/95

\*See Instruction of Reverse Side

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.