

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

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Merit Energy Company

3. ADDRESS AND TELEPHONE NO.

Phone #(214)701-8377

12221 Merit Drive - Suite 500 - Dallas, TX 75251

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface Unit D-Sec 5 T24S R31E-660FWL 660FNL-Eddy, NM

At proposed prod. zone

Same as Above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

21 miles East of Loving, NM

10. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

660' to north

1682.12

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

1320' to East

8200'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3404.7'

5. LEASE DESIGNATION AND SERIAL NO.

NM031963

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Sundance Fed #6

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

Delaware, Wildcat

11. SEC., T., R., OR BLK. AND SURVEY OR AREA

Sec 5 - T24S R31E

12. COUNTY OR PARISH 13. STATE

Eddy

NM

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

19. PROPOSED DEPTH

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START\*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM Secretary's Potash/R-III-P Potash

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	13 3/8	54.5	650	550 sacks CIRCULATE
12 1/4	8 5/8	24 & 32#	4200	921 sacks CIRCULATE
7 7/8	5 1/2	15.5 & 17#	8200	783 sacks (He back)

Merit Energy Company proposes to drill and test the Delaware and intermediate formations. Approximately 650', surface casing will be set and circulated to surface. Approximately 4200' of intermediate casing will be set and circulated to surface. If well is commercial, production casing will be run and cemented tying back into 8 5/8 intermediate casing, perforated and stimulated as needed for production.

Mud Program: FW to 650' brine to 4200', cut brine to 8200'

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

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED, and to NMOCD's R-III-P

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 Whitel

TITLE

Prod. Syst.

DATE

1-5-93

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds 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

TITLE

DATE

3-3-93

\*See Instructions On Reverse Side