

NM OIL & GAS COMMISSION
DEPARTMENT OF THE INTERIOR
ARTESIA, NM 88210
BUREAU OF LAND MANAGEMENTSUBMIT IN TRIPPLICATE*
(Other instructions on
rev.)Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN				
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>				
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>				
2. NAME OF OPERATOR Merit Energy Company				
3. ADDRESS AND TELEPHONE NO. 12221 Merit Drive - Suite 500 - Dallas, TX 75251 Phone #4214/701-8377				
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface Unit F - Sec 5 T24S R31E 1980' FNL and 1980' FWL - Eddy County, New Mexico 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) 1980' to West		16. NO. OF ACRES IN LEASE 1682.12		17. NO. OF ACRES ASSIGNED TO THIS WELL 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320' to North		19. PROPOSED DEPTH 8200'		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3425.4 GR				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	550 sacks
11	8 5/8	24 & 32#	4200	921 sacks
7 7/8	5 1/2	15.5 & 17#	8200	783 sacks

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.

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 deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Russell Whiter TITLE Production Supt. DATE 4-7-93

(This space for Federal or State office use)

PERMIT NO. Russell Whiter 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 if CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY B. Kottig Eaton TITLE Acting State Director DATE 7/1/93

*See Instructions On 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.