

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL, GAS, & MINERAL COMMISSION
ARTESIA, NM 88210
RECEIVED

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

2. NAME OF OPERATOR

Merit Energy Company

3. ADDRESS AND TELEPHONE NO.

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 E - Sec 5 T24S R31E

1980' FNL and 660' 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

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 660' to West

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT. 1320' to North

16. NO. OF ACRES IN LEASE

1682.12

19. PROPOSED DEPTH

8200'

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3427.8 GR

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM Secretary's Potash/111-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
11	8 5/8	24 & 32#	4200	921 sacks CIRCULATE
7 7/8	5 1/2	15.5 & 17#	8200	783 sacks (tie 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.

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 Production Supt.

DATE 6-7-93

(This space for Federal or State office use)

APPROVAL SUBJECT TO

PERMIT NO. _____

GENERAL REQUIREMENTS AND

APPROVAL DATE _____

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

CONDITIONS OF APPROVAL, IF ANY:

ATTACHED

APPROVED BY S/ Kathy Lator

TITLE State Director

DATE JUL 12 1993

*See Instructions On Reverse Side