

UNIT STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL CONSER
811 S. 1st ST
ARTESIA, NM

ON DIV

Lease Designation and Serial No.

88210-2834 NM031963

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.

3532 Andrews Hwy, Suite 113 Midland, TX 79703 (915)520-4345

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

At Surface: Unit Letter I - Sec 4, T24S R31E

1980' FSL and 660' FEL - Eddy County, NM

At proposed prod. zone:

Same as above

6. If Indian, Allottee of Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Sundance Federal #21

7728

9. API Well No.

30-015-29120

10. Field and Pool, or Wildcat

53815
Sanddunes, West
Delaware

11. Sec., T., R., M., or Bk. and Survey or Area

Sec 4 - T24S R31E

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

21 miles East of Loving, NM

12. County or Parish

Eddy

13. State

NM

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

660' to the East

16. No. of acres in lease

1682.12

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' to the East

19. Proposed Depth

8200'

20. Rotary or Cable Tools

Rotary

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

3426

R-111-P Potash

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	550sx (Circ)
12 1/4	8 5/8	24 & 32#	4200	921sx (Circ)
7 7/8	5 1/2	15.5 & 17#	8200	783sx(tie back)

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

Mud Program FW to 650', cut Brine to 4200', cut brine to 8200'.

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

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

Title West District, Operations Supt

Date 10-Jun-96

(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

Gilbert J. Lucero

Title

Acting State Director

Date

AUG 1 1996

*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 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2086, SANTA FE, N.M. 87504-2086

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
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	Pool Name <i>Sand Dunes West</i>
Property Code	Property Name SUNDANCE FEDERAL	Well Number 21
OGRID No.	Operator Name MERIT ENERGY CO.	Elevation 3426

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	4	24 S	31 E		1980	SOUTH	660	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 <i>40</i>	Joint or Infill	Consolidation Code	Order No.						

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

LOT 4 <i>40.29 AC.</i>	LOT 3 <i>40.27 AC.</i>	LOT 2 <i>40.25 AC.</i>	LOT 1 <i>40.23 AC.</i>
		<div>3424.9' — 3426.0' 3423.4' — 3427.1' 1980' ↓</div>	

OPERATOR CERTIFICATION

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

Russell White
Signature
Russell White
Printed Name
Operations Supt.
Title
6-10-96
Date

SURVEYOR CERTIFICATION

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.

JUNE. 3, 1996

Date Surveyed CDG

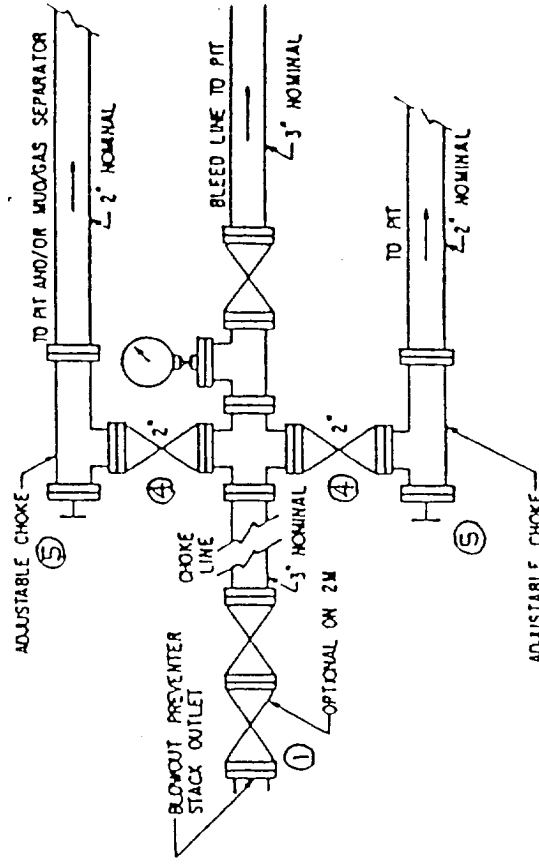
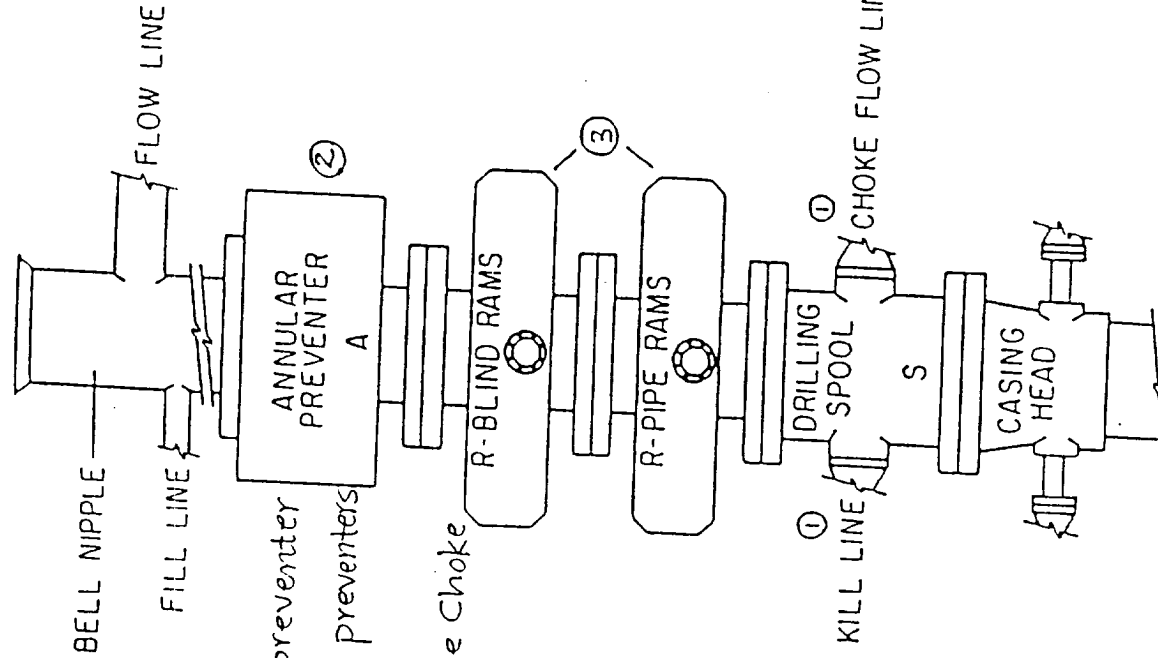
Signature & Seal of Professional Surveyor
Ronald J. Edson
86-11-0635

Certificate No. JOHN W. WEST 676
RONALD J. EDSON 3239
GARY EDSON 12641

Exhibit B

+

B-1



3000 PSI
Working Pressure
(Series 900 Flanges)