18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

DED 1320 to North

**:21 SUBMITE L

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

TIPLICATE Point approved.

Budget Bureau No. 1004-0136

| (December 1990) NITED ST | TATES THE INTERIOR SIA, No. 66220 | Expires: December 31, 1991 5. LEANE DESIGNATION AND SERIAL NO. |
|--|--|--|
| BUREAU OF LAND | MANAGEMENT RECEIVED | NM031963 / |
| APPLICATION FOR PERMIT | | 6. IF INDIAN, ALLOTTER OR TRIBE HAND |
| 2711424 (23) | EPEN [] JUN 8 / 54 PM 193 | 7. UNIT AGREEMENT NAME |
| b. Tipe of well OLL OAS WELL OTHER | SINGER MULTIPLE ZONE | 8. FARM OR LEAST NAME WELL NO. |
| Merit Energy Company | | Sundance Fed # 27 9. ATWELL NO. 30 - 0/5 - 27584 |
| 3. ADDRESS AND TELEPTIONS NO. 12221 Merit Drive - Suite 50 | Phone #(214)701-8377 0 - Dallas, TX 75251 | 10. FIELD AND POOL, OR WILDCAT |
| 4. LOCATION OF WELL (Report location clearly and in accord At surface Unit G - Sec 4 T24S R3 | SIE | Sandunes, West 11. sec., t., R., M., OR DLR. AND SURVET OR AREA |
| 1980' FNL and 1980' FEL - Ed At proposed prod. zone Same As Above | VP muss and | Sec 4 - T24S R31E |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOW | | 12. COUNTY OR PARISH 13. STATE Eddy NM |
| 21 miles East of Loving 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST 1980 to Eas | 16. NO. OF ACRES IN LEGIS. NO. | OF ACRES ASSIGNED |
| (Also to nearest drig, unit line, if any) | 1682.12 | TARY OR CARLE TOOLS |

21. ELEVATIONS (Show whether DF, RT (GR, etc.) Darket and Commentant West of Presta ASAP R-111-P Patech PROPOSED CASING AND CEMENTING PROGRAM QUANTITY OF CEMENT SETTING DEPTH WEIGHT PER FOOT SIZE OF HOLE ORADA, SIZELOF CASINO 550 sacks CACU 650 54.5 13 3/8 17 1/2921 sacks 4200 24 & 5/8 8 783 sacks - SEE STIN. 8200 15.5 & 17# 7 7/8

19. PROPOSED DEPTH

8200'

Merit Energy Company proposes to drill and test the Delaware and Approximately 650', surface casing will intermediate formations. 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.

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

BOPE will be installed at the offset and tested BOPE Program:

daily for operational.

Approval Subject to General Requirements and Special Stigulations

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 the prop rtinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any, de

| ocepen directionary, give per | |
|--|--|
| 24. BIGNED Runell Whited | TITLE Production Supt. DATE 6-8-93 |
| (This space for Federal or State office une) | |
| PERMIT NO | s legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations to |
| CONDITIONS OF APPROVAL, IP ANY: | Artis State Proctor JUL 12 mos |
| APPROVED BY S/ Kathy Calor | INTLE INTERIOR On Reverse Side |

*See Instruction 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.

* ECONO

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