

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ RECEIVED JUL 2 ~ 1993

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Merit Energy Company, Inc.

3. ADDRESS AND TELEPHONE NO.
12221 Merit Drive - Suite 500 - Dallas, TX 75251
Phone #(214) 701-8377

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface Unit C - Sec 4 T24S R31E
660' 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

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
660' North

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 EAST

19. PROPOSED DEPTH
8200'

20. ROTARY OR CABLE TOOL
Rotary

21. ELEVATIONS (Show whether DF, RT, etc.)
3403.2

22. APPROX. DATE WORK WILL START
ASAP

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 # 31

9. AN WELL NO.
30-015-27586

10. FIELD AND POOL, OR WILDCAT
Sandunes, West

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 4 - T24S R31E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

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 / CIRCULATE
11	8 5/8	24 & 32#	4200	921 sacks / CIRCULATE
7 7/8	5 1/2	15.5 & 17#	8200	783 sacks - SEE STIPS.

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.

IO-1
7-30-93
NCT/AFI

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 Whitehead TITLE Production Supt. DATE 6-8-93
(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 if CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY B/ Kathy Eaton TITLE Acty State Director DATE 6-11-93

*See Instructions On Reverse Side