

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Submit in Triplicate*
(Other instructions on
reverse side)

FORM APPROVED
Budget Bureau No. 1004-1035
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 ☐ Single Zone ☐ Multiple Zone ☐

2. Name of Operator

Merit Energy Company 14591

3. Address and Telephone No.

P.O. Drawer NN - Jal, NM 88252 (505)395-2173

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

At Surface: Lot 7 Unit Letter G - Sec 4, T21S R27E
1980' FNL and 1980' FEL - Eddy County, NM

At proposed prod. zone:

Same as above

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

6 miles Northeast of Carlsbad, NM

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

1980' FNL

16. No. of acres in lease

298

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'

19. Proposed Depth

6650'

20. Rotary or Cable Tools

Rotary

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

3183'

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
12 1/4	8 5/8	24#	650	570sx Class C (Circ)
7 7/8	5 1/2	15.5#	6650	518sx Class C (Circ)
			2750' DV Tool	556sx Class H (no back)

Merit Energy Company proposes to drill and test the Bone Springs & intermediate formations. Approx. 650' surface casing will be set & circulated to surface. If well is commercial, production casing will be ran & cemented circulating to surface, perforated & stimulated as needed for production.

Mud Program FW to 650', cut Brine to 2750', cut brine to 6650'.

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

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL SPECIFICATIONS

ATTACHED
JUL 27 1995

OIL CON. DIV.
DIST. 2

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 White Title West District, Operations Supt

Date June 14, 1995

(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 Tim Bucke Title Acting AREA MANAGER Date JUN 27 1995

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 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

DISTRICT IV
PO BOX 2088, SANTA FE, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-28595	Pool Code 66102 96335	Pool Name Eddy, Undes. Grp. 3 Burton Flats Bone Springs
Property Code	Property Name FEDERAL "4" MM (SSS)	Well Number 3
OGRID No.	Operator Name MERIT ENERGY COMPANY	Elevation 3183

Surface Location

UL or lot No. G	Section 4	Township 21 S	Range 27 E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 1980	East/West line EAST	County EDDY
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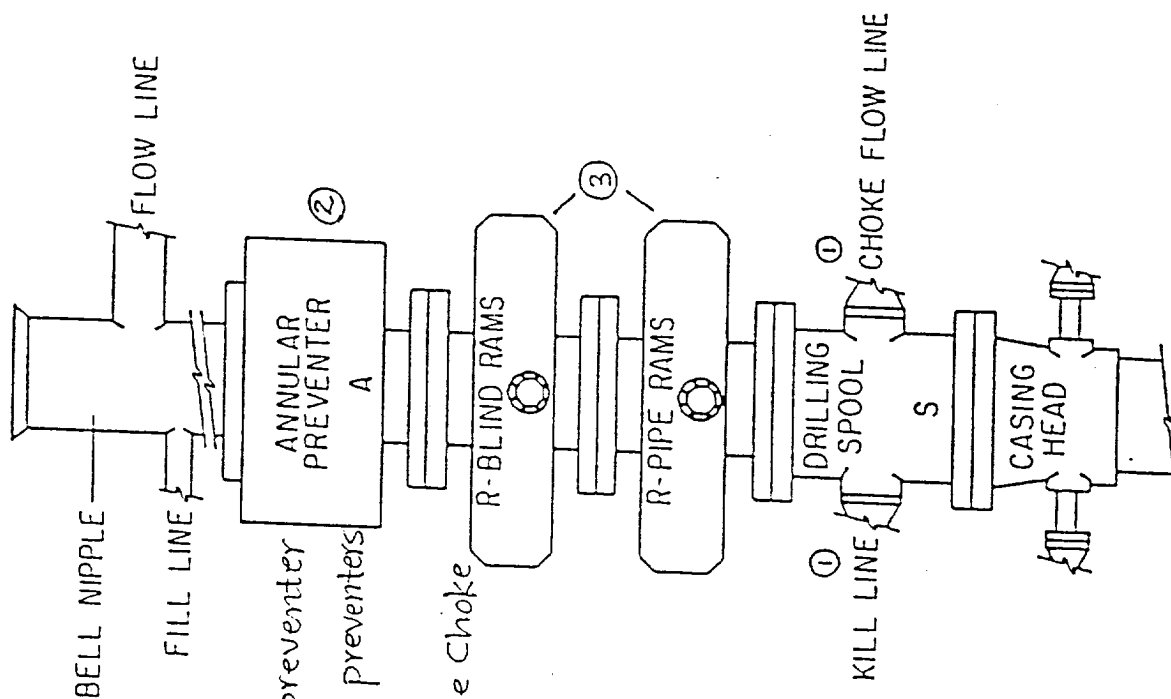
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

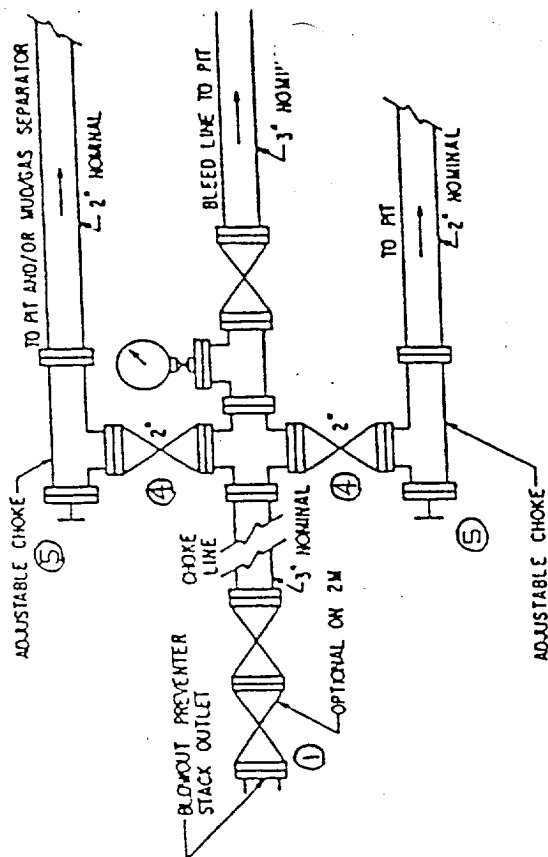
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Russell Whitel</u> Signature <u>Russell Whitel</u> Printed Name <u>Operations Supt.</u> Title <u>6-12-95</u> 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. APRIL 28, 1995 Date Surveyed Signature & Seal of Professional Surveyor <u>Donald E. Eidson</u> W.O. Num 95-12-0671 Certificate No. JOHN G. WEST 676 DONALD E. EIDSON 3239 DONALD E. EIDSON 12641	

Exhibit B



- ① 3" Series 900 Valve
- ② Series 900 Annular preventer
- ③ Series 900 Ram-Type preventers
- ④ 2" series 900 valve
- ⑤ 2" Series 900 Adjustable Choke



3000 PSI
Working Pressure
(Series 900 Flanges)