

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

ARTESIA, NM 88210-2834

Handwritten: 466

5. LEASE DESIGNATION AND SERIAL NO.

Handwritten: NM-100-130

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO. *Handwritten:* Sundance Federal #16

9. API WELL NO. *Handwritten:* 30-015-27502-31623

10. FIELD AND POOL, OR WILDCAT

Handwritten: Sanddunes, West

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA *Handwritten:* Delaware

Handwritten: Sec. 5-T24S-R31E

12. COUNTY OR PARISH

Handwritten: Eddy

13. STATE

Handwritten: NM

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Handwritten: Merit Energy Company

Handwritten: 1459/

3. ADDRESS AND TELEPHONE NO.

Handwritten: 12222 Merit Drive, Suite 1500, Dallas, TX. 75251

Handwritten: 972-701-8377

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At Surface

Handwritten: 660' FSL & 1980' FEL

Handwritten: Unit 0

At proposed prod. zone

Handwritten: 660' FSL & 1980' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Handwritten: 21 miles East of Loving, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)

Handwritten: 1980' to West

16. NO. OF ACRES IN LEASE

Handwritten: 1682.12

17. NO. OF ACRES ASSIGNED TO THIS WELL

Handwritten: 40

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

Handwritten: 1320' to North

19. PROPOSED DEPTH

Handwritten: 8200'

20. ROTARY OR CABLE TOOLS

Handwritten: Rotary

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

Handwritten: 3444' GR

22. APPROX. DATE WORK WILL START*

Handwritten: 9/30/99

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	550 sx (Circ.)
11"	8-5/8"	24 & 32	4200	921 sx (Circ.)
7-7/8"	5-1/2"	15.5 & 17	8200	783 sx (tie back)

Merit Energy Company proposes to drill and test the Delaware & intermediate formations. Approx. 650' surface casing will be set & cement circulated to surface. Approx. 4200' of intermediate casing will be set & cement 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 condition.

NOTE: Previously permitted & approved 7/16/93



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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

Handwritten signature: Arlene Valiquette

TITLE

Handwritten: Regulatory Mgr.

DATE

Handwritten: 4/8/99

(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 thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Handwritten signature: S/Carsten Goff

TITLE

Handwritten: Acting State Dir

DATE

Handwritten: 2-14-01

***See Instructions 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

