Energy, Minerals & Natural Resources Department

Revised October 18, 1994

Instructions on back

AMENDED REPORT

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

PO Box 1980, Hobbs, NM 88241-1980

811 South First, Artesia, NM 88210

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

District IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER OR ADD A ZONE ² OGRID Number 1 Operator Name and Address. **Merrion Oil & Gas Corporation** 014634 CONS. DIV 3 API Number 610 Reilly Avenue 30-045-31763 Farmington, New Mexico 87401 ⁵ Property Nam

Bartlesville Surface Location

6 Well No. 1R

UL or lot no. Township Lot Idn Feet from the North/South line Feet from the East/West line County Section Range D 2 26N 785 North 685' West San Juan 13W

⁸ Proposed 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	
Proposed Pool 1 Pasin Fruttiand WAW Fruttand Sand/PC					1/06	¹⁰ Proposed Pool 2				

¹¹ Work Type Code	¹² Well Type Code	¹³ Cable/Rotary	14 Lease Type Code	¹⁵ Ground Level Elevation	
N	G	Rotary	S	6054'	
¹⁶ Multiple	¹⁷ Proposed Depth	¹⁸ Formation	¹⁹ Contractor	²⁰ Spud Date As Soon As Permitted	
No	1400' KB	WAW Fruitland/PC	L&B Speed Drill		

²¹ Proposed Casing and Cement Program

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Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
7" J55	20 ppf or greater	~120' KB	~30 sx (35 cuft)	Surface
4-1/2" J55	10.5 ppf or greater	~1400'KB	~109 sx (167 cuft)	Surface
		_		
	7" J55	Casing Size Casing weight/foot 7" J55 20 ppf or greater	Casing Size Casing weight/foot Setting Depth 7" J55 20 ppf or greater ~120' KB	7" J55 20 ppf or greater ~120' KB ~30 sx (35 cuft)

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if

Merrion Oil & Gas proposes to drill 83/4" hole with native mud to approx. 120' KB and set 7" 20# J55 or greater surface casing, cement to surface with ~30 sx 'B' w/ 2% CaCl₂ (35 ft³). Will drill 6¹/₄"hole to TD @ approx. 1400' KB with low solids non-dispersed gel mud system. Run open hole surveys. Set 41/2", 10.5# J55 or greater production casing, cement with 44 sx 'B' w/ extender (91 ft3), tail in with 65 sx (76 ft3) Class B Top of cement should circulate to surface (will adjust volumes based upon caliper log). If cement does not reach surface, a temperature log or cement bond log will be run to determine top of cement.

Will test WAW Fruitland/Pictured Cliffs through perforated casing. Will fracture stimulate and put on for production test. Drilling operations below surface casing will be conducted with a Bag type BOP in place, minimum working pressure 1000 psig. Formation tops: Ojo Alamo - surface, Kirtland - 75', Fruitland - 808', Main Coal - 1210', Pictured Cliffs - 1240'.

²³ I hereby knowledge	certify that the information given above and belief.	eve is true and complete to the best of my	OIL CONSERVATION DIVISION			
Signature		<u> </u>	Approved by:			
Printed na	me: Connie S. Din	ning	Title: CEPUTY OIL & GAS INSPECTOR, DIST, (30)			
Title:	Production Er	gineer	Approval Date UL - 3 2003 Expiration Date: UL - 3 2002			
Date:	July 1, 2003	Phone: 505-327-9801	Conditions of Approval: Attached HOLD C164 FOR Stutus Chave - Bartle			

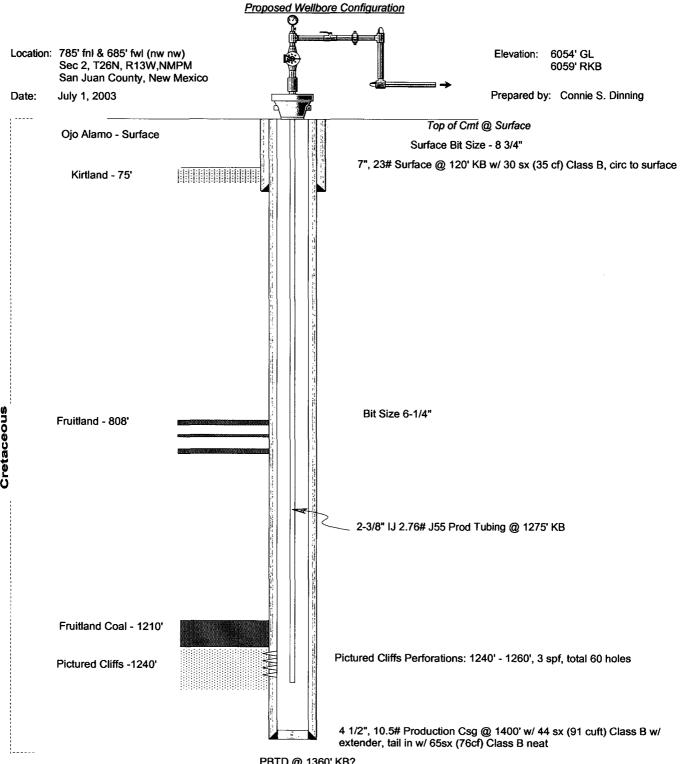
State of New Mexico Energy, Minerals & Mining Resources Department Oil CONSERVATION DIVISION 2040 South Pacheco Sonta Fe. NM 87505

MANEROED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code 30065 WAW Fruiltand/Pictured Cliffs 763 Wed Number Property Name BARTLESVILLE IR Operator Name Elevation 014634 MERRION OIL & GAS 6054 Surface Location Lei Ha Feet freits North/South County لل خ لما Feel Iron> Sort/West D 2 nwnw 26 N 13 W 785 NORTH WEST 685 SAN JUAN Bottom Hole Location & Different From Surface Feet from North/South Feet Iron> County UL or Lat Earl/Nest Dedication **Jabr ?** Order No. Comolidation 160 NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSQLIDATED OR A NON-STANDARD UNT HAS BEEN APPROVED BY THE DIVISION nnunna in National Indiana 528 OPERATOR CERTIFICATION WGS 84 I hereby cartify that the information contained hereb is true and complete 36'3120.43" N 108 T42.65" W to the best of my lescaledge and belef. 685 Bartlesville No. 1R Signature Printed Name Connie S. Dinning Title **Production Engineer** Date July 1, 2003 Lease No. E-9707 SURVEYOR CERTIFICATION I hereby certify that the sell location on this plat was plotted from field nates of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my ballel. Date of Surv Signature Professi N 89'53' W 5273

Merrion Oil & Gas Corporation Wellbore Schematic

Bartlesville No. 1R



PBTD @ 1360' KB? TD @ 1400' KB