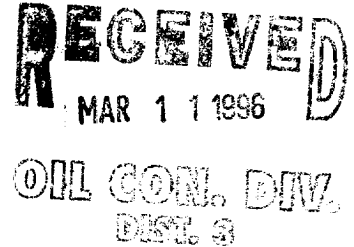


MERRION OIL & GAS CORPORATION

SURFACE USE AND OPERATIONS PLAN

Pursuant to NTL-6
(Attachment to Form 3160-1)

EMU No. 6
330' fsl & 330' fel (SESE)
Section 11, T19N, R4W
Sandoval County, New Mexico



1. **EXISTING ROADS**

- A. The actual well site survey plat is attached.
- B. Directions: From Cuba, NM take SR 197 west \pm 19 miles. Right on paved road at Johnson's Trading Post. 2-3/4 miles, left at Eagle Mesa Field sign. One mile to location.
- C. All roads to location are indicated on attached maps.
- D. Improvement and maintenance: Maintenance will be performed as required to keep existing roads in same or better condition.

2. **PLANNED ACCESS ROADS**

200 feet \pm of old access road will be improved. (Shown on topographic map enclosed.)

3. **LOCATION OF EXISTING WELLS**

For all known existing wells within one mile radius of location, see attached lease/well location map.

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

- A. Within a one mile radius of location, the following existing facilities are owned or controlled by lessee/operator:
 - 1) Tank Batteries: Eagle Mesa Field
 - 2) Production Facilities: Eagle Mesa Field
 - 3) Oil Gathering Lines: Eagle Mesa Field
 - 4) Gas Gathering Lines: None
 - 5) Injection Lines: None
 - 6) Disposal Lines: Eagle Mesa Field
- B. If production is obtained, no new production facilities will be required:
 - 1) Any necessary pits will be fenced.
 - 2) Rehabilitation whether well is productive or dry, will be made on all unused areas in accordance with BLM or appropriate agency recommendations.

[illegible]

MERRION OIL & GAS CORPORATION

EMU No. 6
330' fs1 & 330' fel (SESE)
Section 11, T19N, R4W
Sandoval County, New Mexico

5. LOCATION AND TYPE OF WATER SOURCE

- A. The source of water will be the Media Entrada Unit water or provided by the trucking company.
- B. Water will be transported by truck over existing roadways.
- C. No water well is to be drilled on this lease.

6. CONSTRUCTION MATERIALS

- A. No construction materials are needed for drilling and access roads into the drilling location. The existing surface materials will be sufficient and will be provided by the Dirt Contractor as needed.
- B. No construction materials will be taken off Federal or Indian lands.
- C. No surface materials for construction of access roads are required.
- D. All major access roads presently exist as shown on topographic map.

7. HANDLING OF WASTE MATERIALS AND DISPOSAL

- A. Drill cuttings will be placed in the drill pit and covered, when appropriate.
- B. Drilling fluids will be disposed of in the drill pit.
- C. Any fluids recovered during drilling tests or while making production tests will be collected in a test tank if possible. If a test tank is not available during drilling, fluids will be handled in drill pit. Any excessive spills or oil or other noxious fluids will be cleaned up and removed.
- D. Garbage and non-flammable waste will be handled in a trash cage. Flammable waste will be disposed of by burning if necessary. Drill fluids, water, drilling mud and tailings will be kept in drill pit. Drill pit will be fenced.
- E. After the rig moves out, location will be cleaned up and no dangerous materials will be left on location. Drill pit will be fenced.

8. ANCILLARY FACILITIES

- A. No air strip, camp or other facilities will be built during drilling of this well.

9. WELL SITE LAYOUT

- A. Drill pad layout attached. The drill pad layout is a diagram of the proposed rig and equipment reserve pit, pipe racks and mud tanks. No permanent living facilities are planned. There may be several trailers on site.
- B. The reserve pit will not be lined. No hazardous materials will be used in the mud system.

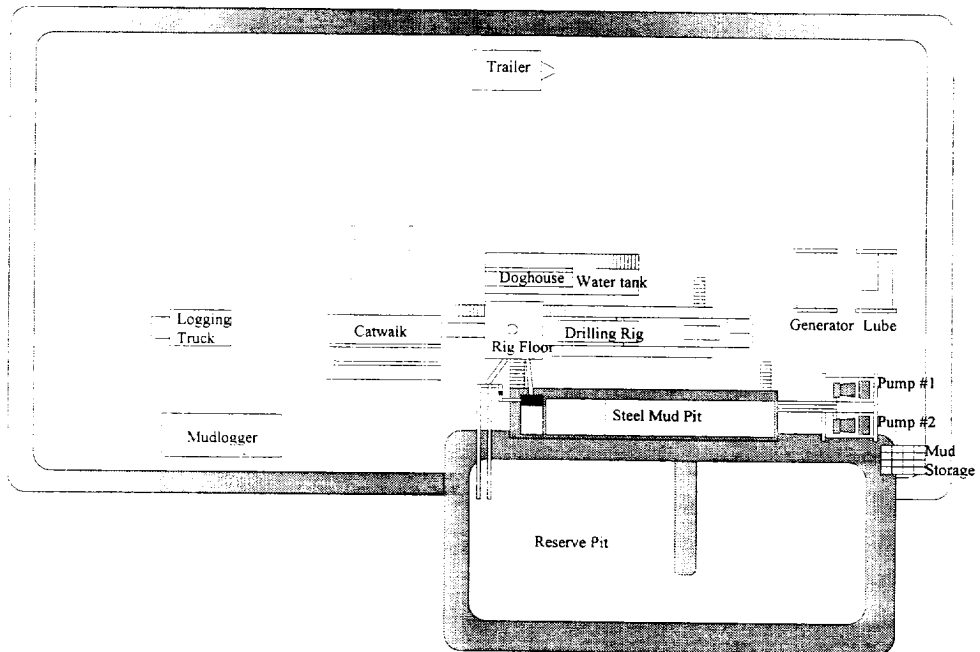
10. PLANS FOR RESTORATION

- A. Backfilling, leveling and contouring are planned as soon as all pits have dried. Waste disposal and spoils material will be fenced, buried, or hauled away as soon as practical after drilling and completion work is finished. If production is obtained, the unused area will be restored as soon as possible.
- B. Any banked soil material, if removal required, will be spread over the area. Revegetation will be accomplished by planting seed mix as per surface managing agencies requirements.
- C. Three sides of the reserve pit, will be fenced during drilling operations. As soon as practical after drilling the reserve pit will be fenced on the fourth side to prevent livestock or wildlife from becoming entrapped; and the fencing will be maintained until burying and cleanup is accomplished.

Merrion Oil & Gas Corporation Location Layout

E/W No. 6

Location: 330' FSL & 330' FEL
Section 11, T19N, R4W
Sandoval County, New Mexico



WELL LOCATION AND ACREAGE DEDICATION PLAT

Survey No. 1-110
Date: 11/11/75

All distances must be from the outer boundary of the Section

FILCON EXPLORATION COMPANY

FEDERAL

110

P

11

19 NORTH

4 WEST

SANDOVAL

330

SOUTH

330

EAST

6633.0

Entrada

Un-named

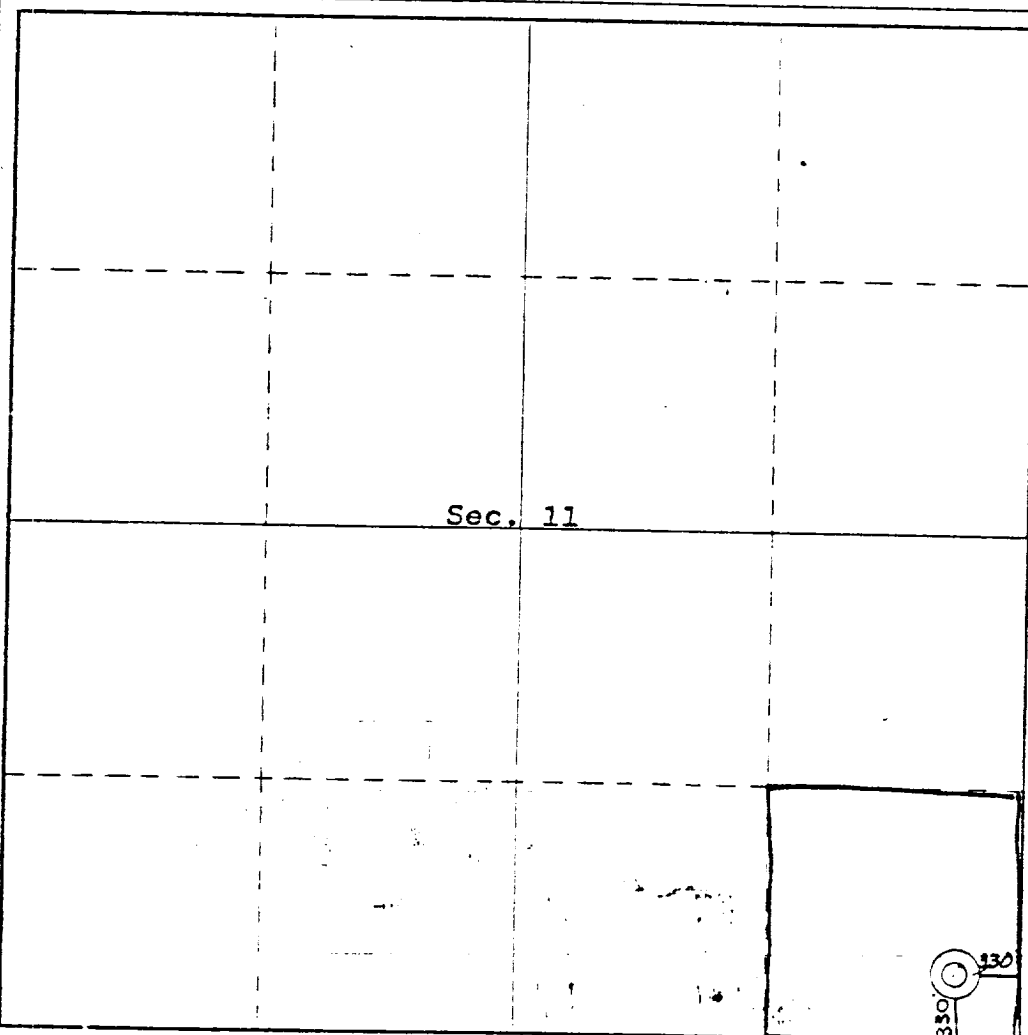
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1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

J. Arnold Shell

Position

Area Manager

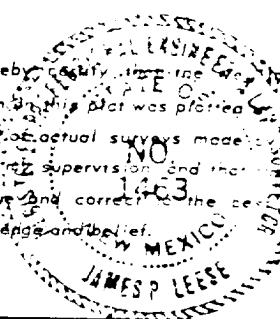
Company

Minerals Management Inc.

Date

August 20, 1975

I hereby certify that the 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 knowledge and belief.



Date Surveyed

15 August, 1975

Signature of Surveyor

James P. Leese

James P. Leese

1462

330 330 330 330 330 330 330 330 330 330

- D. The rehabilitation operations will begin as soon as practical after the workover rig is removed. Cleanup will be done as needed. Planting and revegetation is normally required to be done from July 15 to September 15, unless requested otherwise.

11. OTHER INFORMATION

- A. Soil - Silt and sandy loam.
Vegetation - Juniper, Pinon Trees, Sagebrush and grasses.
- B. The primary surface use is for grazing. The surface in the area is owned by Navajo Allottees and the Bureau of Land Management.
- C. Restrictions: Operator has all rights to the Entrada Formation.
- D. Operations are planned for on or about December 10, 1995. Drilling operations should be completed within 60 days.

12. LESSEE'S OR OPERATOR'S REPRESENTATIVE

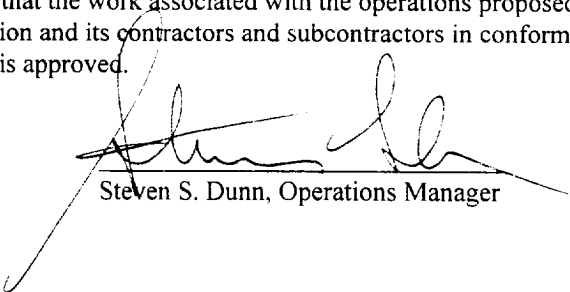
Steven S. Dunn, Operations Manager
Merrion Oil & Gas Corporation
610 Reilly Avenue
Farmington, New Mexico 87401-2634
Telephone: (505) 327-9801

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Merrion Oil and Gas Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

November 9, 1995

Date



Steven S. Dunn, Operations Manager