

1 Well File
 Submit to Appropriate
 District Office.
 State Lease - 6 copies
 Fee Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

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

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

API NO. (assigned by OCD on New Wells) <i>30-043-20859</i>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Lease Name or Unit Agreement Name Canada Bonita			
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Well No. 1			
2. Name of Operator Merrion Oil & Gas Corporation		9. Pool name or Wildcat Wildcat <i>ENTRADA</i>			
3. Address of Operator P. O. Box 840, Farmington, New Mexico 87499					
4. Well Location Unit Letter <u>L</u> : 2310 Feet From The <u>South</u> Line and <u>330</u> Feet From The <u>West</u> Line Section <u>15</u> Township <u>15N</u> Range <u>2W</u> NMPM <u>Sandoval</u> County					
10. Proposed Depth 3000'		11. Formation Entrada	12. Rotary or C.T. Rotary		
13. Elevations (Show whether DF, RT, GR, etc.) 7098' GR	14. Kind & Status Plug. Bond Nationwide	15. Drilling Contractor Not Chosen	16. Approx. Date Work will start August, 1991		
17. PROPOSED CASING AND CEMENT PROGRAM <i>40</i>					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	9-5/8"	40 lb/ft	100 ft.	50 sx	Surface
6-1/4"					
8-3/4"	7"	23 lb/ft	3000 ft.	400 sx	Surface

Propose to drill a vertical well into the Jurassic Entrada. If productive, will ream hole to 8-3/4" and set 7" casing thru and cement in place. Additional details are attached.

RECEIVED
 AUG 12 1991
 OIL CON. DIV.
 DIST. 3

APPROVAL EXPIRES 2-13-92
 UNLESS DRILLING IS COMMENCED.
 SPUD NOTICE MUST BE SUBMITTED
 WITHIN 10 DAYS.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE Steven S. Dunn TITLE Operations Manager DATE 8-9-91
 TYPE OR PRINT NAME _____ TELEPHONE NO. _____

(This space for State Use)

APPROVED BY Emil Borch TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE AUG 13 1991
 CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

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

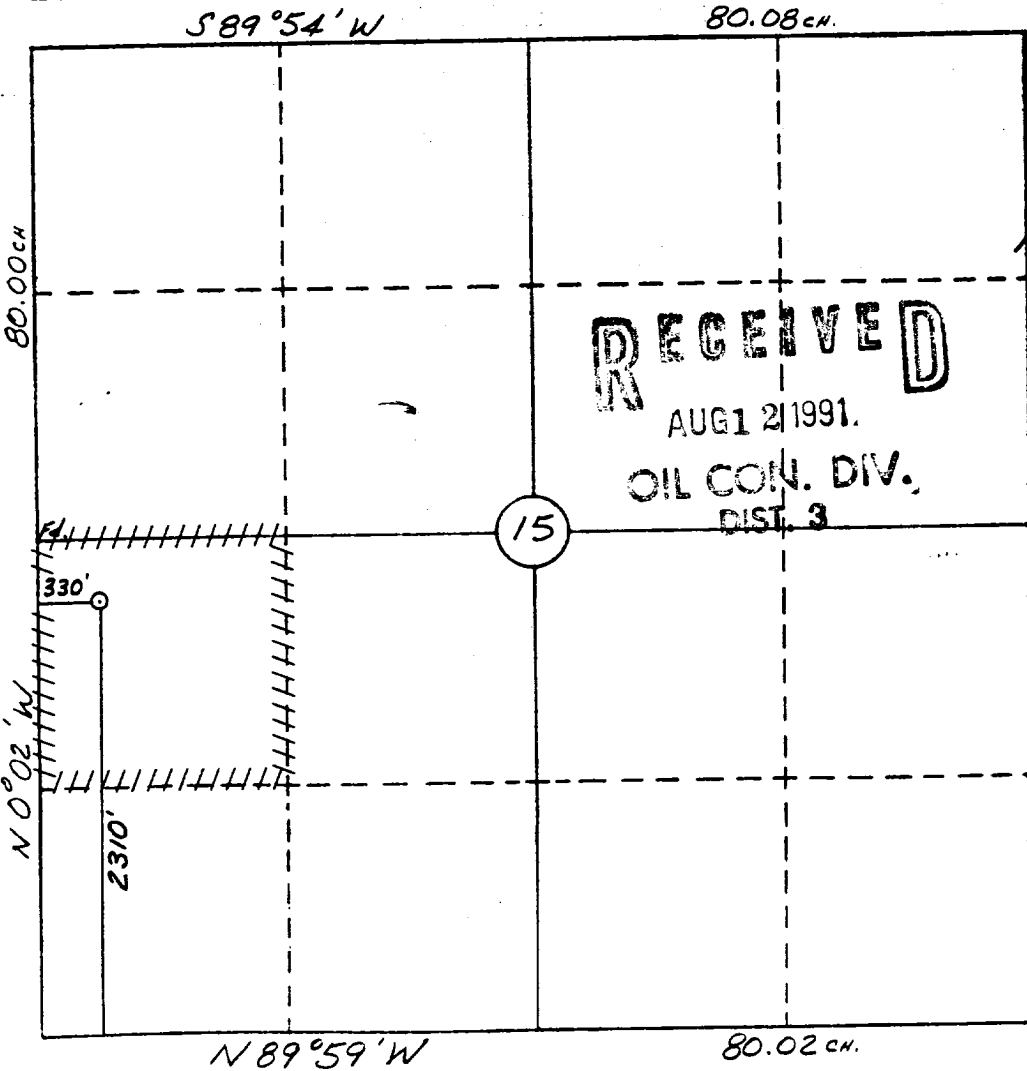
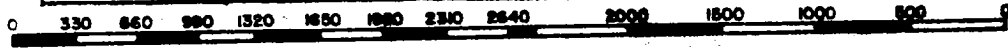
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WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator MERRION OIL & GAS CORP.			Lease CANADA BONITA		Well No. 1
Unit Letter L	Section 15	Township 15 N	Range 2 W	County Sandoval	
Actual Footage Location of Well: 2310 feet from the South line and 330 feet from the West line					
Ground level Elev. 7098	Producing Formation Entrada		Pool Wildcat	Dedicated Acreage: 40 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)</p> <p>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 interest, has been approved by the Division.</p>					



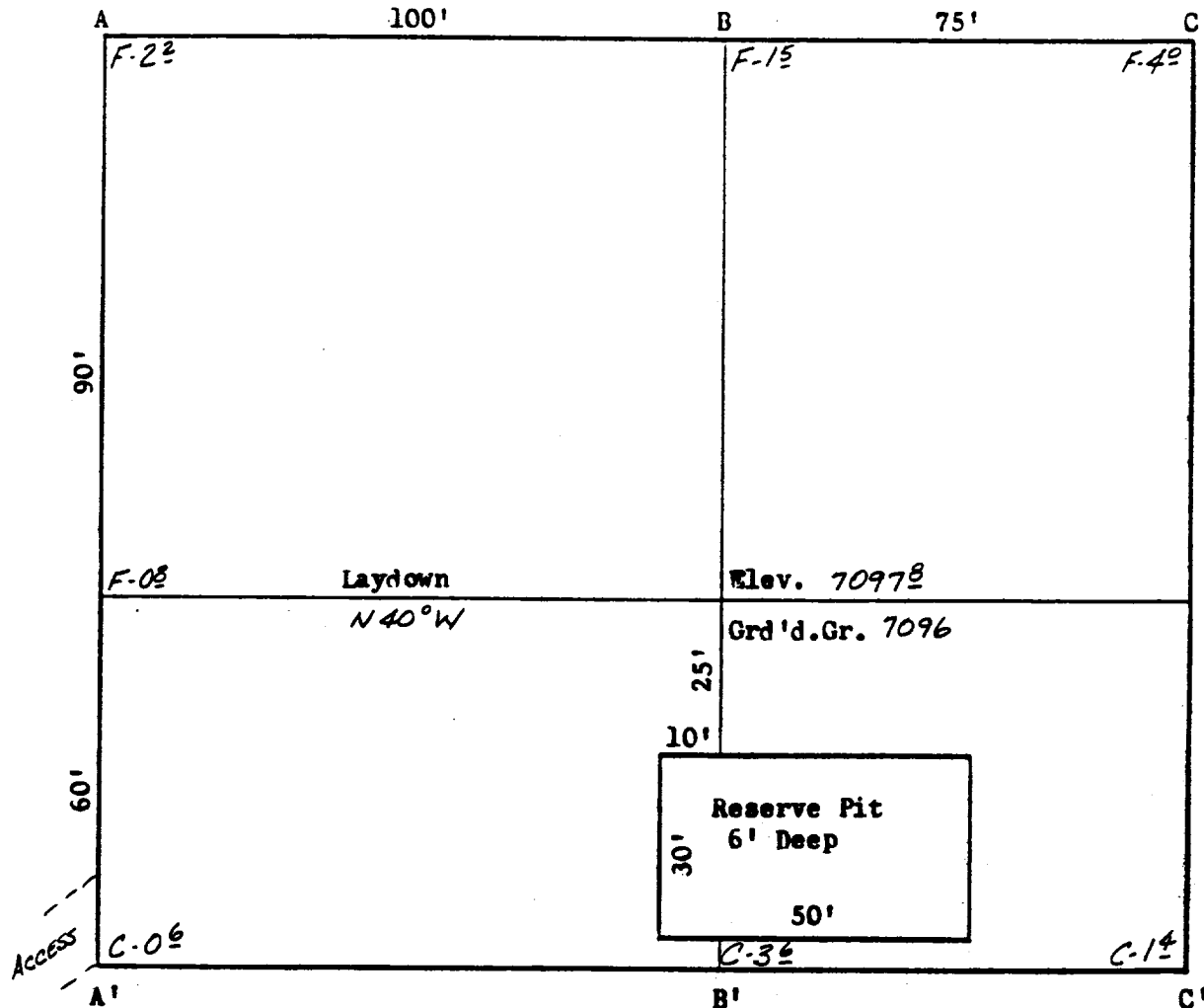
OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *[Signature]*
 Printed Name: **Steven S. Dunn**
 Position: **Operations Manager**
 Company: **Merrion Oil & Gas Corp.**
 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 knowledge and belief.

Date Surveyed: **8-7-91**
 Signature of Surveyor: *[Signature]*
 Professional Surveyor: **WILLIAM E. MAHARKE II**
 Registration No.: **#8466**
 Certificate No.: **8466**

MERRION OIL & GAS CORP.
 CANADA BONITA #1
 2310' FSL & 330' FWL
 Sec. 15, T15N, R2W
 Sandoval Co., N.M.



Scale: 1" = 30'



A-A' Vert.: 1" = 30' Horiz.: 1" = 100' C/L

7100	-----	-----	-----	-----	-----	-----
7090	-----	-----	-----	-----	-----	-----
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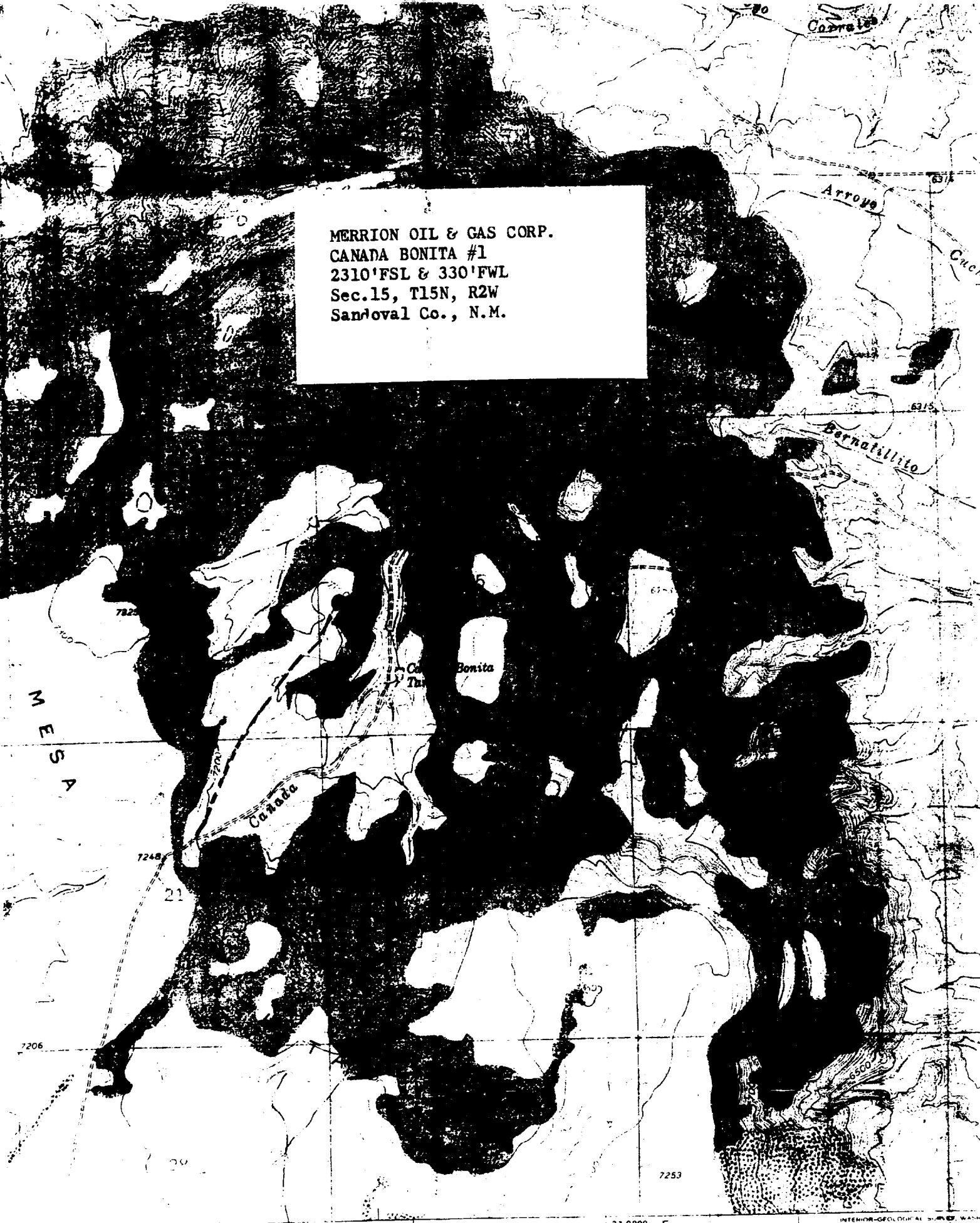
B-B'

7100	-----	-----	-----	-----	-----	-----
7090	-----	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----	-----

C-C'

7100	-----	-----	-----	-----	-----	-----
7090	-----	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----	-----

MERRION OIL & GAS CORP.
CANADA BONITA #1
2310'FSL & 330'FWL
Sec.15, T15N, R2W
Sandoval Co., N.M.



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230°

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INTERIOR-GEOLOGICAL SURVEY, WASHINGTON, D.C.
MR 8806