

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Merrion Oil & Gas Corporation

3. ADDRESS OF OPERATOR

P. O. Box 1017, Farmington, New Mexico 87499

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

At surface

1850' FSL and 990' FEL

At proposed prod. zone Same

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

13 miles North of Counselors

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

600 ft.

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

2552

19. PROPOSED DEPTH

5950'

17. NO. OF ACRES ASSIGNED

TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

0 - TD

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

6578' GL

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED

22. APPROX. DATE WORK WILL START*

Spring/summer, 1984

23. "GENERAL REQUIREMENTS" PROPOSED CASING AND CEMENTING PROGRAM

This action is subject to administrative
appeal pursuant to 30 CFR 250.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24 #/ft.	200'	175 sx.
7-7/8"	4-1/2"	11.6 #/ft.	5950'	1025 sx.

Will drill 12-1/4" surface hole to 200 ft. and set 200 ft. of 8-5/8", 24 #/ft, J-55 grade casing with 175 sx Class B cement with 3% CaCl₂. Will drill 7-7/8" hole to 5950 ft. Will run open hole logs. No other testing planned.² If well appears productive, will run 5950 ft. of 4-1/2", 11.6 #/ft, J-55 grade casing and stage cement. First stage will cement with 225 sx Class H 2% gel (1.22 cu. ft./sk), 275 cu. ft. cement to cover Gallup interval from TD. Estimated top of cement is 4850 ft. below Point Lookout Formation. Second Stage will cement with 700 sx Class B 2% D-79 (2.06 cu. ft./sk) 1442 cu. ft. cement followed by 100 sx Class H 2% Gel (1.22 cu. ft./sk) 122 fu. ft. cement to cover Mesaverde, Chacra, Pictured Cliff Fruitland and Ojo Alamo. Estimated top of cement is 500 ft. Drilling circulating medium will be low solids, non-dispersed, low water loss mud using Gentonite, starch, CMC and fresh water. Minimum specifications for pressure control is 10", 900 series Double Ram Blow Out Preventer. Will perforate and stimulate as required for completion.

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

TITLE Operations Manager

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY

RECEIVED

OIL CON. DIV.

DIST. 3

NMOCC

5. LEASE DESIGNATION AND SERIAL NO.

SF 078922

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Canyon Largo Unit Com

9. WELL NO.

340

10. FIELD AND POOL, OR WILDCAT

Devils Fork Gallup Assoc

11. SEC. T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 1, T24N, R7W

12. COUNTY OR PARISH

13. STATE

Rio Arriba

New Mexico

APPROVED

AS AMENDED

DATE MAR 29 1984

AREA MANAGER
FARMINGTON RESOURCE AREA

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

Drill	Estimated Top	Depth
Ojo Alamo	1532'	
Kirtland	1702'	
Fruitland	1972'	
Pictured Cliff	2132'	
Lewis	2267'	
Chacra	3017'	
Cliffhouse	3702'	
Menefee	3787'	
Point Lookout	4350'	
Mancos	4600'	
Gallup	5492'	
TOTAL DEPTH	5950'	

[illegible]

U.S. GOVERNMENT

1. The first step in the process of identifying a problem is to determine the nature of the problem. This involves gathering information about the problem and its context. The second step is to define the problem in terms of specific, measurable, and achievable goals. The third step is to identify the causes of the problem. The fourth step is to develop a plan of action to address the problem. The fifth step is to implement the plan and monitor progress. The sixth step is to evaluate the results and make adjustments as needed.

SECRET

[illegible][illegible]

All distances must be from the outer boundaries of the Section.

Operator MERRION OIL & GAS CORPORATION			Lease CANYON LARGO UNIT COM		Well No. 340
Unit Letter I	Section 1	Township 24N	Range 7W	County Rio Arriba	
Actual Footage Location of Well: 1850 feet from the South line and 990 feet from the East line					
Ground Level Elev. 6578	Producing Formation Gallup		Pool Devils Fork Gallup	Dedicated Acreage: 160 Acres	

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 Communitized

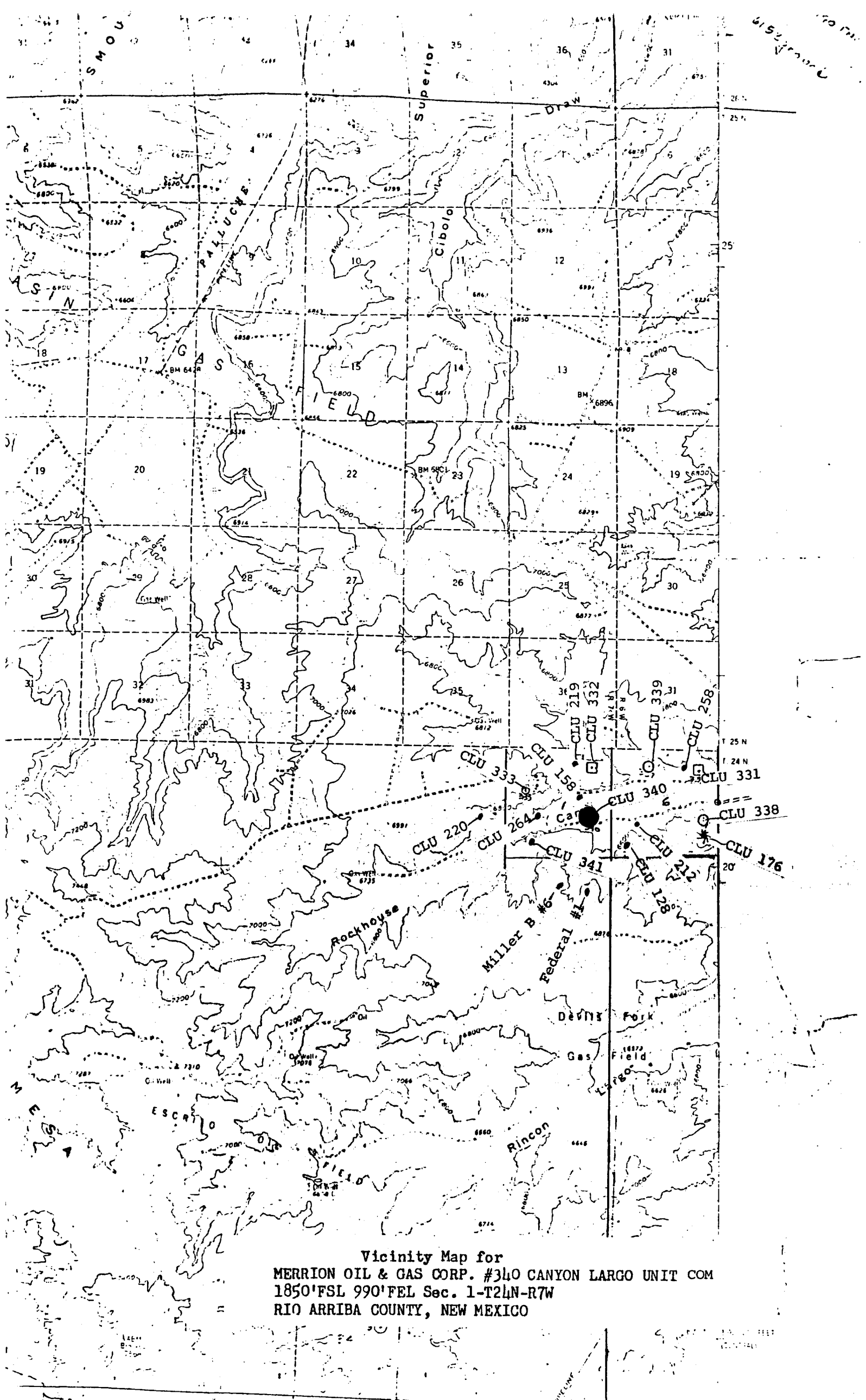
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

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.

RECEIVED MAR 30 1984 OIL CON. DIV. DIST. 3		RECEIVED FEB 22 1984 BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA	
Sec. 1		1	
SF 078922		990'	
SF 079915		1850'	

Scale: 1"=1000'

CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>Steve S. Dunn</i>	Name
Steve S. Dunn	Position
Operations Manager	Company
Merrion Oil & Gas Corp.	Date
1/13/84	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.
December 29, 1983	Date Surveyed
Fred B. Kerr Jr.	Registered Professional Engineer and Land Surveyor
3950	Certificate No.



Vicinity Map for
MERRION OIL & GAS CORP. #340 CANYON LARGO UNIT COM
1850'FSL 990'FEL Sec. 1-T24N-R7W
RIO ARRIBA COUNTY, NEW MEXICO