

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

790' FSL and 790' FWL

At proposed prod. zone

Same

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

16 miles North of Lybrook

15. DISTANCE FROM PROPOSED*

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

790

18. DISTANCE FROM PROPOSED LOCATION*

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

3500'

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

7032' GL, 7045' KB

23.

PROPOSED CASING AND CEMENTING PROGRAM

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

22. APPROX. DATE WORK WILL START*

Spring, 1985

This action is subject to administrative
appeal pursuant to 30 CFR 290.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24 #/ft. J-55	200'	175 sx (206.5 cu. ft.)
7-7/8"	4-1/2"	10.5 #/ft. J-55	6025'	as below

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 6025 ft. Will run open hole logs. No other testing planned. If well appears productive, will run 6025 ft. of 4-1/2", 10.5 W/ft, J-55 grade casing and stage cement. First stage will cement with 225 sx Class H, 2% gel (1.22 cu. ft/sk. yield) 275 cu. ft. cement to cover Gallup interval from TD. Estimated top of cement is 5050 ft. Will set stage collar at 4900 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 50 sx Class H 2% gel (1.22 cu. ft/sk yield) 61 cu. ft. cement to cover Mesaverde, Chacra, Pictured Cliffs, Fruitland and Ojo Alamo. Top of cement will be at surface.

Drilling circulating medium will be low solids, non-dispersed, low water loss mud using bentonite, 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

DATE 2/11/85

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

APR 10 1985

TITLE

DATE

APR 08 1985

CONDITIONS OF APPROVAL, IF ANY:

OIL CON. DIV.
DIST. 2

NMOCC

See Instructions on Reverse Side

for
Za J. Stan McKee
M. MILLENBACH
AREA MANAGER

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INSTRUCTIONS

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.

ESTIMATED TOPS

Ojo Alamo	1491	Menefee	3798
Kirtland	1671	Point Lookout	4666
Fruitland	2051	Mancos	4845
Pictured Cliffs	2204	Gallup	5625
Lewis	2411	Total Depth	6025
Rusty Chacra	2671		
Cliffhouse	3716		

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENTP. O. BOX 2048
SANTA FE, NEW MEXICO 87501Form C-107
Revised 11

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

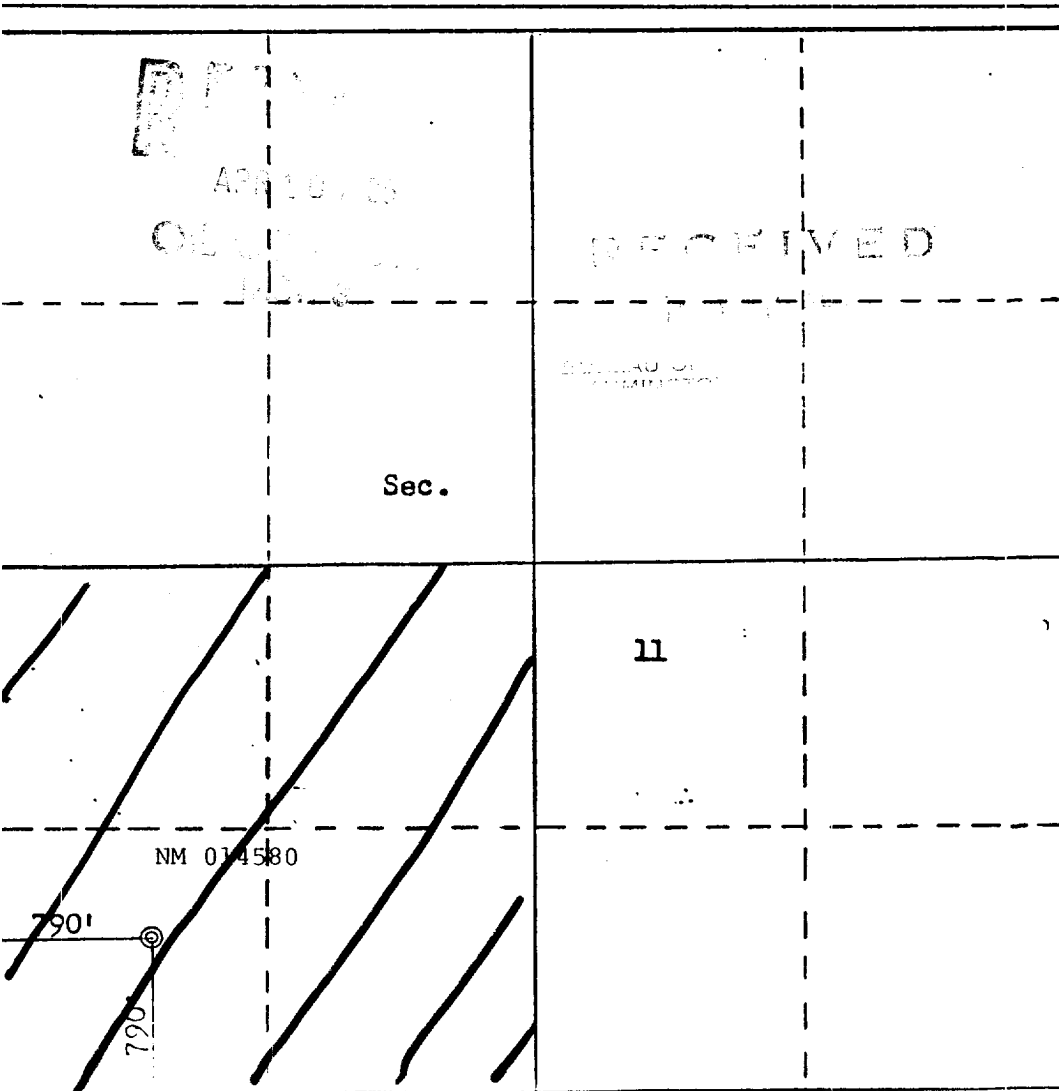
Operator MERRION OIL & GAS CORPORATION			Lease Horsefly		Well No. 1
Unit Letter M	Section 11	Township 24N	Range 8W	County San Juan	
Actual Footage Location of Well: 790 feet from the South line and 790 feet from the West line					
Ground Level Elev: 7032	Producing Formation Gallup		Pool Dufes Point Escrito Gallup Gallup Dakota		Dedicated Acreage: 80 160 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 _____

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

Steve S. Dunn

Position

Operations Manager

Company

Merrion Oil & Gas Corporation

Date

2/8/85

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

February 8, 1985

Registered Professional Engineer
and Land Surveyor

Fred B. Kerr Jr.

Certificate No.

