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NEW MEXICO OIL CONSERVATION COMMISSION

30-039-22285
Form C-101
Revised 1-1-65

5A. Indicate Type of Lease	
STATE <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Federal	
2. Name of Operator J. Gregory Merrion		9. Well No. 3-E	
3. Address of Operator P.O. Box 507, Farmington, NM 87401		10. Field and Pool, or Wildcat Basin Dakota	
4. Location of Well UNIT LETTER <u>B I</u> LOCATED <u>1110</u> FEET FROM THE <u>East</u> LINE AND <u>1820</u> FEET FROM THE <u>South</u> LINE OF SEC. <u>34</u> TWP. <u>25N</u> RGE. <u>6W</u> NMPM		12. County Rio Arriba	
19. Proposed Depth 6750		19A. Formation Dakota	20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 6373 GL	21A. Kind & Status Plug. Bond Statewide	21B. Drilling Contractor Coleman	22. Approx. Date Work will start April 1, 1980

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4	8-5/8	24 lbs	200	150	surface
7-7/8	4-1/2	10.5 lbs	6750	500	3 stage

Will drill 12-1/4" hole to 200 ft, set 8-5/8" surface casing to 200 ft, and cement to surface with 150 sacks.

Will drill 7-7/8" hole to 6750 ft. and run 4-1/2" 10.5# casing to 6750 with stage collars at bottom of Mesaverde and Pictured Cliffs. Will 3 stage cement covering Dakota and Gallup with 1st stage, Mesaverde with 2nd stage, and Pictured Cliffs with 3rd stage. Will complete as Dakota infill gas well by perforating and fracking selected zones of Dakota.

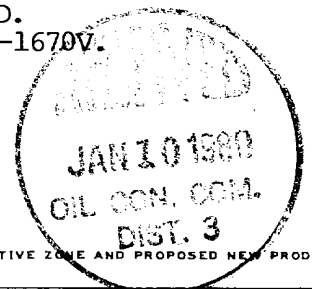
10" Series 900 BOP will be installed on surface casing and used to T.D.

This is a Basin Dakota Infill Well drilled pursuant to NMOCC Order #R-1670V.

The gas from this formation is dedicated.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMPLETED

EXPIRES 4-9-80



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.

Signed J. Gregory Merrion Title Owner/Operator Date January 8, 1980

(This space for State Use)

APPROVED BY Frank S. Clancy TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JAN 10 1980

CONDITIONS OF APPROVAL, IF ANY:

Graded to surface and well sealed at bottom

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-107
Revised 10-1-78

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

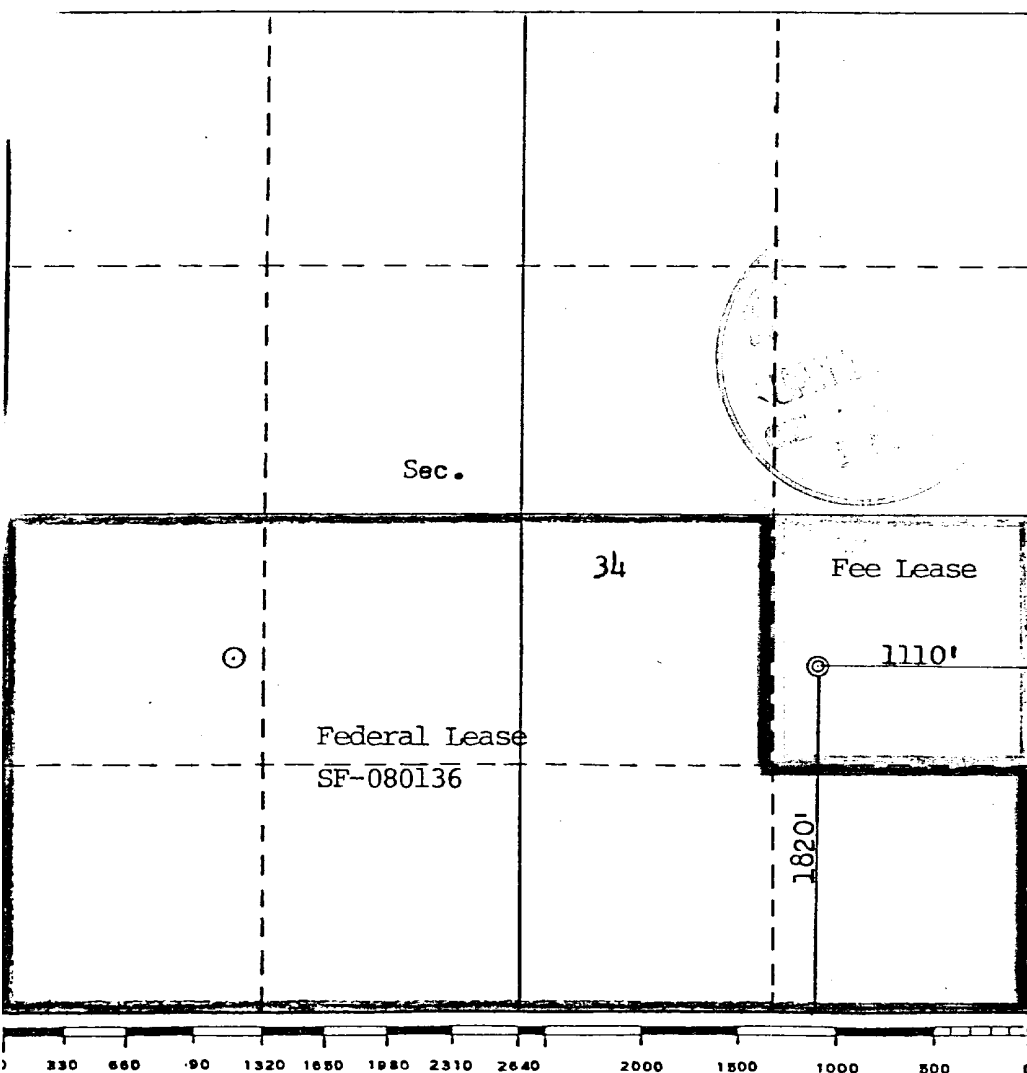
Operator J. GREGORY MERRION		Lease FEDERAL		Well No. 3-E	
Unit Letter I	Section 34	Township 25N	Range 6W	County Rio Arriba	
Actual Footage Location of Well: 1820 feet from the South line and 1110 feet from the East line					
Ground Level Elev. 6373	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage: 51320 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). See Attached
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 Communitization

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. Gregory Merrion

Position
Operator

Company
J. Gregory Merrion

Date
January 8, 1980

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

December 11, 1979

Registered Professional Engineer
and/or Land Surveyor

Fred B. Kerr, Jr.

Certificate No. **3950**

J. GREGORY MERRION
Federal #3-E

OWNERSHIP OF COMMUNITIZED TRACTS

Tract 1. Federal Lease SF-080136 (280 acres)

ROYALTY AND PERCENTAGES

U.S.A.	12.500000%
E. Hunter Stone II	0.625000%
Ben Donegan	1.000000%
Jackie Campbell	2.500000%
Texas Natural Petroleum Co.	0.380854%
Hortense E. Davant	0.122073%
Grace K. Davant	0.122073%
B. W. Woolley	0.625000%
Big Chief Drilling	0.625000%
Total	18.500000%

NAME AND PERCENTAGES OF WORKING INTEREST OWNERS

Victor Salazar	12.500000%
C. J. Warren	7.500000%
Joseph Grevey	11.700000%
Jack Grevey	3.000000%
Marguerite Liberman	7.650000%
Ira Liberman & Albuquerque Natl. Bank, Trustee	7.650000%
Continental Emsco Co.	9.188325%
Halliburton Company	3.311675%
Kimbell Oil Company	37.500000%

Tract 2. Fee Lease

ROYALTY AND PERCENTAGES

J. Gregory Merrion	4.2244 %
Iris Balbach	1.5625 %
Lorna Harvey	1.5625 %
Marjorie O. Underwood or Genevieve Organ	0.4060 %

WORKING INTEREST AND PERCENTAGES

J. Gregory Merrion	30.51501 %
D. J. Merrion, Trustee	30.51501 %
William W. Merrion	30.51501 %
R. E. Merrion	8.45497 %



Vicinity Map for
J. Gregory Merrion #3-E FEDERAL
1820' FSL 1110' FEL Sec 34-T25N-R6W
RIO ARRIBA COUNTY, NEW MEXICO