

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. Lease Designation and Serial No.
SF-080238-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Morgan No. 6 *23788*

9. API Well No.
30-045-29690

10. Field and Pool, or Exploratory Area
Basin Fruitland *71639*

11. Sec., T., R., M., or BLK. and Survey or Area
Section 31, T27N, R12W

1a. Type of Work
DRILL **DEEPEN**

b. Type of Well
Oil Well Gas Well Other Single Well Multiple Zone

2. Name of Operator
Merrion Oil & Gas Corporation *14634*

3. Address and Telephone No.
610 Reilly Ave Farmington NM 87401
ph: (505) 327-9801

4. Location of Well (Footages)
At Surface **865' fsl & 859' fwl (sw sw)**

At proposed depth **subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.**

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OIL CON. DIV.
DIST. 3

14. Distance in Miles and Directions from Nearest Town or Post Office
20 miles south of Farmington, New Mexico

15. Distance from Proposed Location to Nearest Property or Lease Line, Ft **859'**

16. No. of Acres in Lease **2373.98 acres**

18. Distance from Proposed Location to Nearest Well Drilling, Completed, or Applied for, on this Lease, FT **1350'**

19. Proposed Depth **1330'**

21. Elevations (Show whether DF, RT, GR, etc)
5905'GR; 5910'RKB

20. Rotary or Cable Tools **Rotary**

22. Approximate Date Work will Start
August, 1997

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"
320 acres
5/313.91

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE & GRADE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-3/4"	7" J55	23 ppf	120'	75 sx (89 cuft)
6-1/4"	4-1/2" J55	10.5 ppf	1330'	150 sx (243 cuft)

Merrion proposes to drill 9-3/4" hole with native mud to approx 120' and set 7" surface casing, cement to surface with 75 sx 'B' w/ 2% CaCl2 (89 cuft). Will drill 6-1/4" hole to TD @ approx 1330' KB with native mud. Run open hole surveys. Will set 4-1/2" 10.5# J55 production casing from TD to surface. Will cement in single stage with 25 sx 'B' (29 cuft) lead slurry followed by 81 sx 'B' w/ 2% SMS (155 cuft) and tail in with 50 sx 'B' (59 cuft). Top of Cement circulated to surface.

Will test Fruitland Coal through perforated casing. Will fracture stimulate and put on beam pump for production test. Drilling operations below surface casing will be conducted with a double ram type BOP in place, minimum working pressure 1000 psig. Additional drilling technical details attached.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal to deepen, give present productive zone and proposed new productive zone. COPIES: BLM+4, WELL FILE+1

24. I hereby certify that the foregoing is true and correct

Signed *Steven S. Dunn* Title Drilling & Prod Manager Date July 8, 1997

(This space for Federal or State office use)

Permit No. _____ Approval Date _____

Application approval does not warrant or certify that applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any.

APPROVED BY: *OK* TITLE **NMOCD** DATE _____

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-29690		2 Pool Code 71629		3 Pool Name Basin Fruitland	
4 Property Code 23738		5 Property Name Morgan			6 Well Number 6
7 OGRID No. 014634		8 Operator Name MERRION OIL & GAS			9 Elevation 5905'

10 Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	31	27 N	12 W	SWSW	865	South	859	West	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320 3/32	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	RECEIVED SEP 21 1998 OIL CON. DIV. DIST. 3			17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Steven S. Dunn Printed Name Drlg & Prod Manager Title July 9, 1997 Date
	