

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised March 17, 1999

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Merrion Oil & Gas Corporation		² OGRID Number 014634
³ Property Code 26820		³ API Number 30- 045-30425
⁵ Property Name Pinon Hills Com		⁶ Well No. 1E

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	30N	13W	ne ne	456'	North	677'	East	San Juan

⁸ Proposed 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
⁹ Proposed Pool 1 Basin Dakota					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 5601'
¹⁶ Multiple No	¹⁷ Proposed Depth 6460'	¹⁸ Formation Dakota	¹⁹ Contractor Not Chosen	²⁰ Spud Date When Permitted

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24 ppf	320'	200 sx	Surface
7 7/8"	4 1/2"	10.5 & 11.6 ppf	6460' -	850 sx	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Merrion proposes to drill 12 1/4" surface hole with native mud to approx. 320' and set 8 5/8" 24ppf J55 surface casing, cement to surface with ~200 sx 'H' w/ 2% CaCl₂ (236 cuft). Will drill 7 7/8" hole to TD @ approx. 6460' KB with low solids non-dispersed mud. Run open hole surveys. Will set 4 1/2" 10.5 ppf J55 production casing from TD to surface. Will cement in two stages: first stage with 100 sx 'B' 35:65 Pozimix w/ 12% Gel (292 cuft) and tail in with 200 sx 'B' 2% Gel (244 cuft) cement to fill from total depth across the Dakota pay zones and above the Gallup formation; second stage DV tool will be set at ~4378' KB at the Mancos top, will cement with 400 sx 'B' 35:65 Pozimix w/ 12% Gel (1164 cuft) and tail in with 150 sx 'B' 2% Gel (183 cuft) cement to fill from DV tool to surface (Will adjust volumes based upon caliper log).

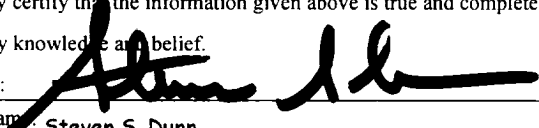
Will test Dakota pay through perforated casing. Will fracture stimulate and put on production test. Drilling operations below surface casing will be conducted with a double-ram BOP in place, minimum working pressure - 2000 psig.

This well is located within the city limits of Farmington and a city Special Use permit and Oil & Gas permit will be obtained prior to commencing drilling.

A second well, the Blackshawl Com 1, will be drilled on the same pad.

Tops: Ojo Alamo - 68', Kirtland - 210', Fruitland - 1240', Pictured Cliffs - 1633', Lewis - 1803', Cliffhouse - 3188', Menefee - 3325', Pt. Lookout - 4018', Mancos - 4378', Gallup - 5316', Greenhorn - 6065', Dakota - 6166'.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: 

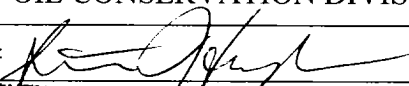
Printed name: **Steven S. Dunn**

Title: **Drilling & Production Manager**

Date: **November 14, 2000**

Phone: **505.327.9801**

OIL CONSERVATION DIVISION

Approved by: 

Title: **DEPUTY OIL & GAS INSPECTOR**

Approval Date: **NOV 13 2000**

Expiration Date: **NOV 16 2001**

Conditions of Approval:

Attached ☐

NOV 14 2000 NSL

State of New Mexico
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

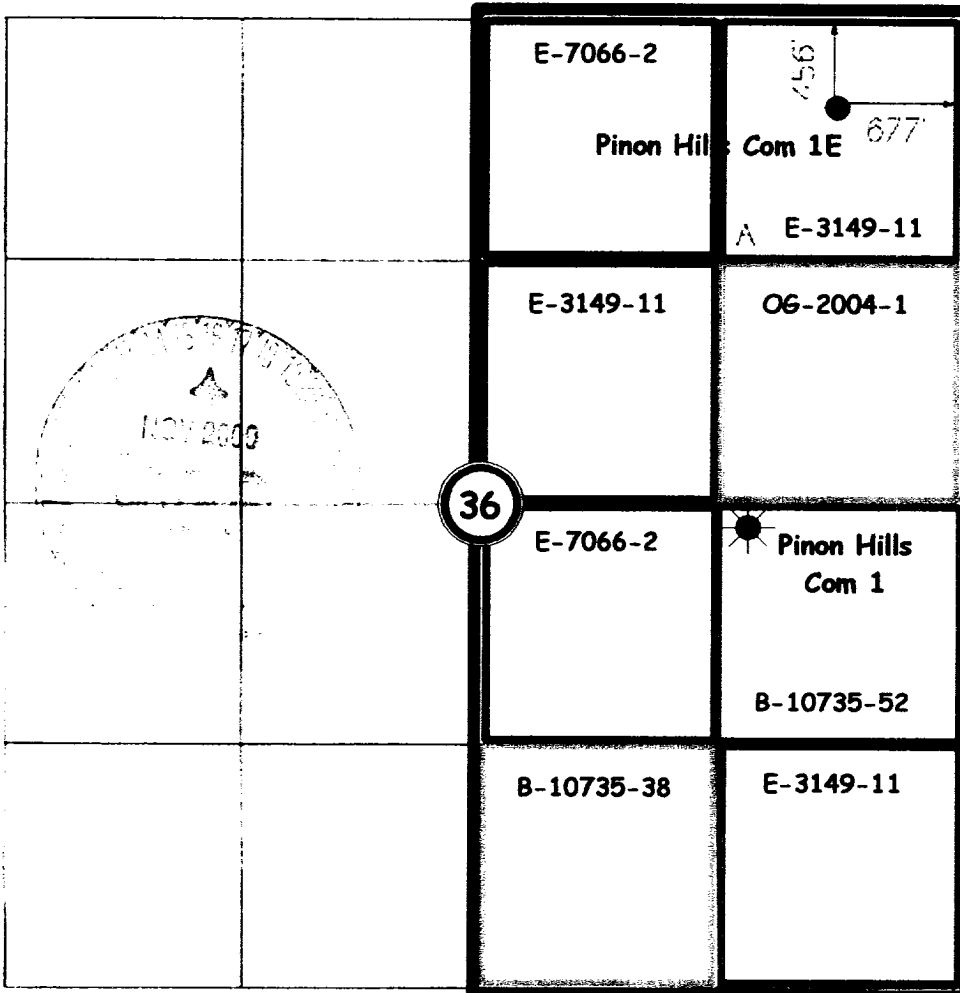
APA Number 30-045-30425	Pool Code 71599	Pool Name Basin Dakota
Property Code 26820	Property Name PINON HILLS COM	Well Number 1E
OGRD No. 014634	Operator Name MERRION OIL & GAS	Elevation 5601'

Surface Location									
LL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet from	North/South	Feet from	East/West	County
A	36	30 N.	15 W.		456	NORTH	677	EAST	SAN JUAN

Bottom Hole Location If Different From Surface									
LL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet from	North/South	Feet from	East/West	County

Dedication 320	Joint ? Y	Consolidator C	Order No. Communitization Dated January 27, 1965
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NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Steven S. Dunn</i> Printed Name: Steven S. Dunn Title: Drilling & Production Manager Date: November 14, 2000	
SURVEYOR CERTIFICATION I hereby certify that the well location 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 belief. Date of Survey: OCTOBER 2000 Signature: <i>Gerald S. Huddleston</i> Professional Seal: GERALD S. HUDDLESTON NEW MEXICO 6844 REGISTERED LAND SURVEYOR	