

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**

<sup>1</sup> Operator Name and Address <b>Merrion Oil &amp; Gas Corporation</b>		<sup>2</sup> OGRID Number <b>4634</b>
<sup>3</sup> Property Code <b>26819</b>	<sup>5</sup> Property Name <b>Heights Com</b>	<sup>4</sup> API Number <b>30 - 045 - 30431</b>
		<sup>6</sup> Well No. <b>1E</b>

<sup>7</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>36</b>	<b>30N</b>	<b>13W</b>	<b>sw sw</b>	<b>400'</b>	<b>South</b>	<b>885'</b>	<b>West</b>	<b>San Juan</b>

<sup>8</sup> 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

<sup>9</sup> Proposed Pool 1 <b>Basin Dakota</b>					<sup>10</sup> Proposed Pool 2				
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<sup>11</sup> Work Type Code <b>N</b>	<sup>12</sup> Well Type Code <b>G</b>	<sup>13</sup> Cable/Rotary <b>R</b>	<sup>14</sup> Lease Type Code <b>S</b>	<sup>15</sup> Ground Level Elevation <b>5545'</b>
<sup>16</sup> Multiple <b>No</b>	<sup>17</sup> Proposed Depth <b>6380'</b>	<sup>18</sup> Formation <b>Dakota</b>	<sup>19</sup> Contractor <b>Not Chosen</b>	<sup>20</sup> Spud Date <b>When Permitted</b>

<sup>21</sup> Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
<b>12 1/4"</b>	<b>8 5/8"</b>	<b>24 ppf</b>	<b>320'</b>	<b>200 sx</b>	<b>Surface</b>
<b>7 7/8"</b>	<b>4 1/2"</b>	<b>10.5 &amp; 11.6 ppf</b>	<b>6380'</b>	<b>850 sx</b>	<b>Surface</b>

<sup>22</sup> 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% CaCl<sub>2</sub> (236 cuft). Will drill 7 7/8" hole to TD @ approx. 6380' 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 ~4280' 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).

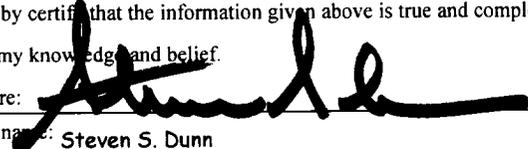
Will test Dakota pay through perforated casing. Will fracture stimulate and put on production test. Drilling operations below surface casing will be conducted with a double-ram BOP in place, minimum working pressure - 2000 psig.

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 Knight Com 1, will be drilled on the same pad.

Tops: Ojo Alamo - Surface, Kirtland - 94', Fruitland - 1137', Pictured Cliffs - 1517', Lewis - 1740', Cliffhouse - 3053', Menefee - 3202', Pt. Lookout - 3950', Mancos - 4280', Gallup - 5215', Greenhorn - 5967', Dakota - 6077'.

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

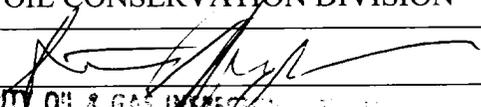
Signature:   
Printed name: **Steven S. Dunn**

Title: **Drilling & Production Manager**

Date: **November 20, 2000**

Phone: **505.327.9801**

**OIL CONSERVATION DIVISION**

Approved by: 

Title: **DEPUTY OIL & GAS DIRECTOR**

Approval Date: **NOV 21 2000**

Expiration Date: **NOV 21 2001**

Conditions of Approval:

Attached

HOLD C104 FOR NSL

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

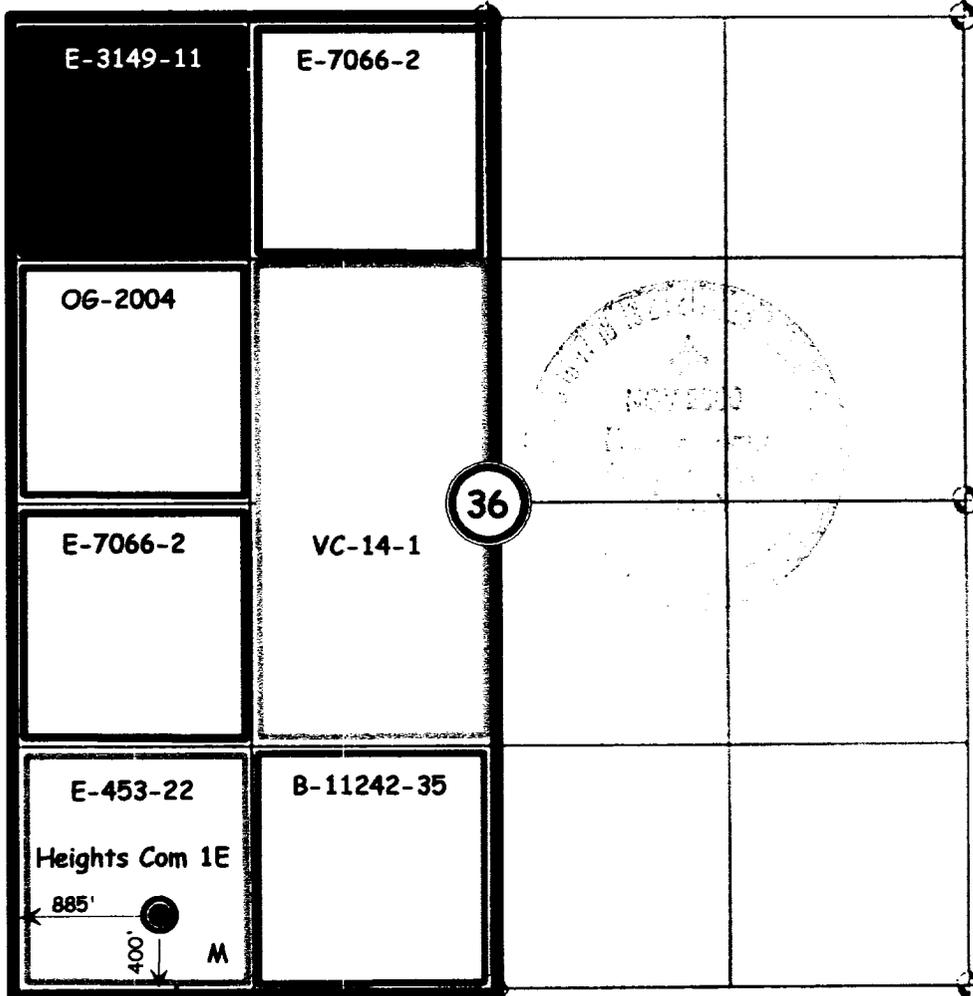
APA Number <b>30045-30431</b>	Pool Code <b>71599</b>	Pool Name <b>Basin Dakota</b>
Property Code <b>26819</b>	Property Name <b>HEIGHTS COM</b>	Well Number <b>1E</b>
OGRID No. <b>014634</b>	Operator Name <b>MERRION OIL &amp; GAS</b>	Elevation <b>5545'</b>

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Ln.	Feet from	North/South	Feet from	East/West	County
M	36	30 N	13 W	SW SW	400	SOUTH	885	WEST	SAN JUAN

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

Dedication <b>320</b>	Joint ? <b>Y</b>	Consolidation <b>C</b>	Order No. <b>Communitization Dated December 1, 1962</b>
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NO ALLOWABLE WELL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



NSV

**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Steven S. Dunn*

Printed Name: **Steven S. Dunn**

Title: **Drilling & Production Manager**

Date: **November 20, 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: **10 NOVEMBER 2000**

Signature and Seal of Professional Surveyor: *Gerard G. Huddleston*

Seal: **GERARD G. HUDDLESTON**  
NEW MEXICO  
REGISTERED LAND SURVEYOR  
6844