

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101  
Revised October 18, 1994  
Instructions on back  
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.<br><b>Merrion Oil &amp; Gas Corporation</b><br>610 Reilly Avenue<br>Farmington, New Mexico 87401 |   | <sup>2</sup> OGRID Number<br><b>014634</b>         |
| <sup>4</sup> Property Code<br><b>25177</b>   | <sup>5</sup> Property Name<br><b>Chucky</b> | <sup>3</sup> API Number<br><b>30 - 045 - 30455</b> |
|  |   | <sup>6</sup> Well No.<br><b>2</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   |
| I             | 23      | 30N      | 12W   | ne se   | 1700          | South            | 1275          | East           | San Juan |

<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<br><b>Aztec Pictured Cliffs</b> |         |          |       |         | <sup>10</sup> Proposed Pool 2 |                  |               |                |        |

|  |   |   |  |  |
|--|---|---|--|--|
| <sup>11</sup> Work Type Code<br><b>N</b> | <sup>12</sup> Well Type Code<br><b>G</b>        | <sup>13</sup> Cable/Rotary<br><b>Rotary</b>       | <sup>14</sup> Lease Type Code<br><b>P</b>              | <sup>15</sup> Ground Level Elevation<br><b>5516' -</b> |
| <sup>16</sup> Multiple<br><b>No</b>      | <sup>17</sup> Proposed Depth<br><b>1885' KB</b> | <sup>18</sup> Formation<br><b>Pictured Cliffs</b> | <sup>19</sup> Contractor<br><b>L&amp;B Speed Drill</b> | <sup>20</sup> Spud Date<br><b>April, 2001</b>          |

<sup>21</sup> Proposed Casing and Cement Program

|           |             |                    |               |                    |               |
|-----------|-------------|--------------------|---------------|--------------------|---------------|
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement    | Estimated TOC |
| 8 3/4"    | 7" J55      | 23 ppf             | ~120' KB      | ~30 sx (35 cuft)   | Surface       |
| 6 1/2"    | 4 1/2" J55  | 10.5 ppf           | ~1885' KB     | ~155 sx (265 cuft) | Surface       |
|           |             |                    |               |                    |               |
|           |             |                    |               |                    |               |

<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.

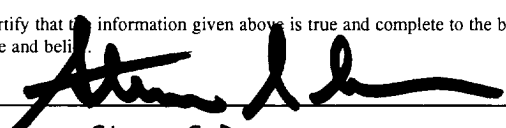

Merrion Oil & Gas proposes to drill 8 3/4" hole with native mud to approx. 120' KB and set 7" 23# J55 surface casing, cement to surface with ~30 sx 'B' w/ 2% CaCl<sub>2</sub> (35 ft<sup>3</sup>). Will drill 6 1/2" hole to TD @ approx. 1885' KB with low solids non-dispersed gel mud system. Run open hole surveys. If appears productive, will set 4 1/2" 10.5 ppf J55 production casing from TD to surface. Will cement with 84 sx 'B' w/ 2% SMS (174 ft<sup>3</sup>) and tail in with 55 sx 'B' (64 ft<sup>3</sup>) cement to fill from total depth to surface. Top of cement should circulate to surface (will adjust volumes based upon caliper log). If cement does not reach surface, a temperature log or cement bond log will be run to determine top of cement.

Will test Pictured Cliffs through perforated casing. Will fracture stimulate and put on for production test.

Drilling operations below surface casing will be conducted with a bag type BOP in place, minimum working pressure 1000 psig.

Merrion Oil & Gas owns the surface at the proposed well site.

Formation tops: Nacimiento - Surface, Ojo Alamo - 293', Kirtland - 403', Fruitland - 1278', Fruitland Coal - 1693', Pictured Cliffs 1736'.

|   |  |  |  |
|---|--|--|--|
| <sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>Signature: <br>Printed name: <b>Steven S. Dunn</b><br>Title: <b>Drilling &amp; Production Manager</b><br>Date: <b>December 21, 2000</b> Phone: <b>505-327-9801</b> |  | <b>OIL CONSERVATION DIVISION</b><br>Approved by: <br>Title: <b>DEPUTY OIL &amp; GAS INSPECTOR, DIST. #3</b><br>Approval Date: <b>DEC 26 2000</b> Expiration Date: <b>DEC 26 2001</b><br>Conditions of Approval:<br>Attached <input type="checkbox"/> |  |
|---|--|--|--|

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                           |                                      |                    |                                     |
|---------------------------|--------------------------------------|--------------------|-------------------------------------|
| APL Number<br>30045-30455 |                                      | Pool Code<br>71280 | Pool Name<br>AZTEC PICTURED CLIFFS- |
| Property Code<br>25177    | Property Name<br>CHUCKY              |                    | Well Number<br>NO. 2                |
| GRID No.<br>014634        | Operator Name<br>MERRION OIL AND GAS |                    | Elevation<br>5516.0                 |

10 Surface Location

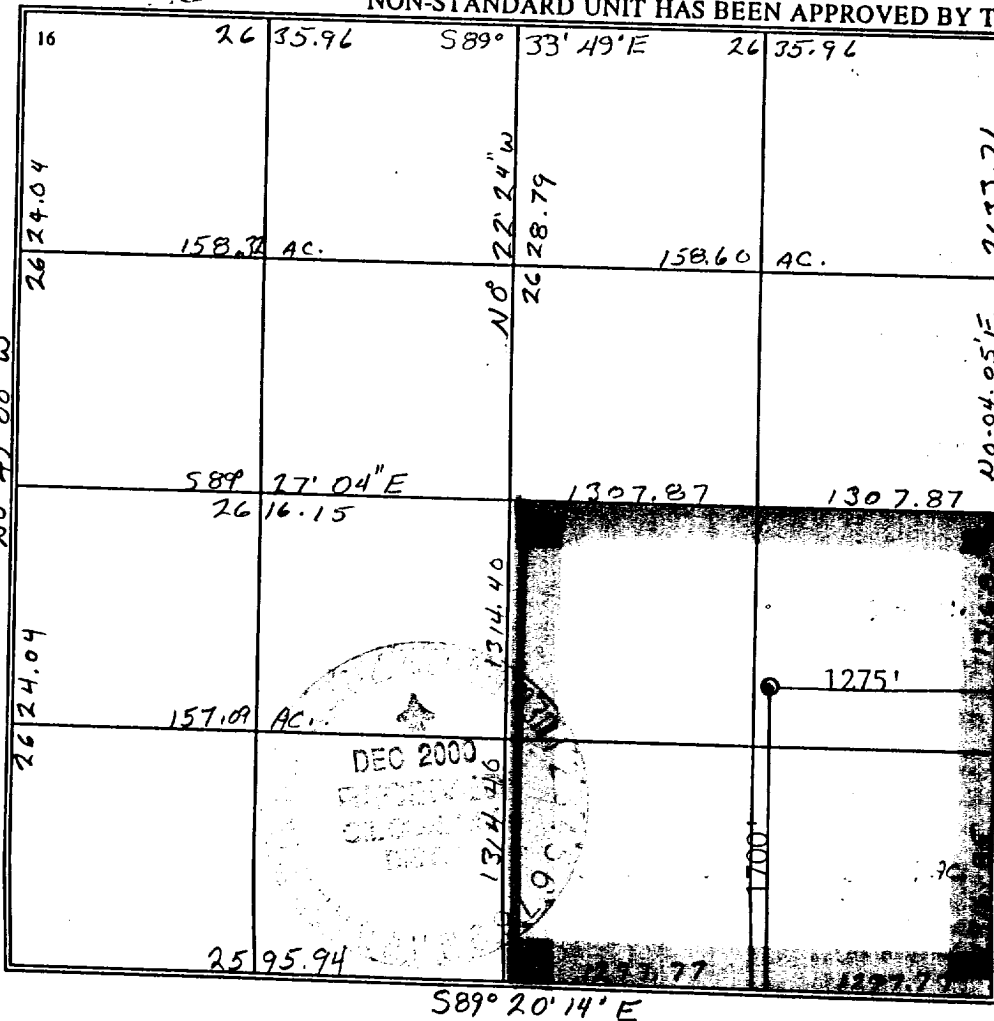
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| I             | 23      | 30       | 12W   | NESE    | 1700          | SOUTH            | 1275          | EAST           | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                           |                      |                         |  |
|---------------------------|----------------------|-------------------------|--|
| Dedicated Acres<br>160.56 | Joint or Infill<br>Y | Consolidation Code<br>U | Order No.<br>UNITIZATION AGOR. FILED IN COUNTY RECORDS |
|---------------------------|----------------------|-------------------------|--|

NO. 11 QWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 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  
DRUG-2 PROP. MANAGER  
Title  
12-20-00  
Date

18 SURVEYOR CERTIFICATION  
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 belief.

OCTOBER 6, 2000  
Date of Survey  
Signature and Seal of Professional Surveyor  
CECIL B. STULLS  
Certificate Number 9672

New Mexico Oil Conservation Division  
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

|   |                       |
|---|-----------------------|
| C | Communitization       |
| U | Unitization           |
| F | Forced pooling        |
| O | Other                 |
| P | Consolidation pending |

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!

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling
16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location. If it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is

open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.