

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 1071

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address MERRION OIL & GAS CORP 610 Reilly Avenue Farmington, NM 87401		OGRID Number 14634
		API Number 30-039-27769
Property Code 34064	Property Name MISSISSIPPI MUD	Well No. 001

Surface Location

UL or Lot D	Section 12	Township 24N	Range 02W	Lot Idn D	Feet From 785	N/S Line N	Feet From 870	E/W Line W	County Rio Arriba
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Proposed Pools

BASIN FRUITLAND COAL (GAS) 71629
GAVILAN PICTURED CLIFFS (GAS) 77360

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 7304
Multiple Y	Proposed Depth 3500	Formation Pictured Cliffs Formation	Contractor	Spud Date 07/22/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	32.3	240	127	0
Intl	8.75	7	23	3230	385	0
Liner1	6.25	4.5	11.6	3500	43	3130

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	1000	1000	

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

Electronically Signed By: Steven Dunn

Title: Production Manager

Date: 06/08/2004

Phone: 505-327-9801

OIL CONSERVATION DIVISION

Electronically Approved By: Charlie Perrin

Title: Manager

Approval Date: 06/30/2004

Expiration Date: 06/30/2005

Conditions of Approval:

There are conditions. See Attached.