

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

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

1. Operator Name and Address MERRION OIL & GAS CORP 610 REILLY AVE FARMINGTON, NM 874012634		2. OGRID Number 14634
		3. API Number 30-045-33757
4. Property Code 35721	5. Property Name REGGAE.COM	6. Well No. 001

7. Surface Location

UL - Lot B	Section 16	Township 26N	Range 11W	Lot Idn B	Feet From 720	N/S Line N	Feet From 1760	E/W Line E	County SAN JUAN
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8. Pool Information

BASIN FRUITLAND COAL (GAS)	71629
KUTZ PICTURED CLIFFS, WEST (GAS)	79680

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 6280
14. Multiple Y	15. Proposed Depth 1765	16. Formation Fruitland Coal	17. Contractor	18. Spud Date 6/12/2006
Depth to Ground water 200		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 770 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	8.75	7	20	120	30	0
Prod	6.25	4.5	10.5	1765	140	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	1000	1000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Steven Dunn Title: Production Manager Email Address: sdunn@merrion.bz Date: 5/24/2006	OIL CONSERVATION DIVISION	
	Approved By: Charlie Perrin	
	Title: District Supervisor	
	Approved Date: 5/31/2006	Expiration Date: 5/31/2007
	Phone: 505-324-5312	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 24449

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33757	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 35721	5. Property Name REGGAE COM	6. Well No. 001
7. OGRID No. 14634	8. Operator Name MERRION OIL & GAS CORP	9. Elevation 6280

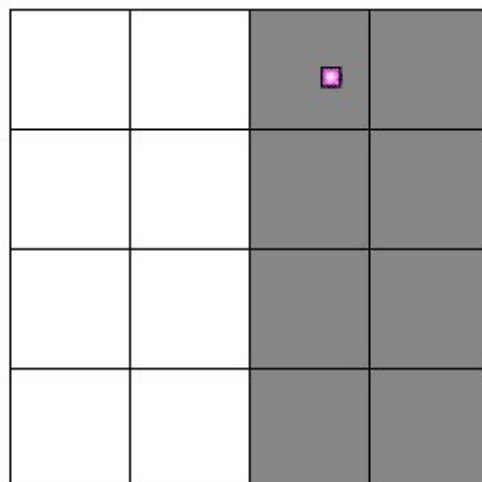
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	16	26N	11W		720	N	1760	E	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code Communitization		15. Order No.			

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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Steven Dunn
 Title: Production Manager
 Date: 5/24/2006

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.

Surveyed By: Gerald Huddleston
 Date of Survey: 6/20/2003
 Certificate Number: 6844

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 Permit 24449

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33757	2. Pool Code 79680	3. Pool Name KUTZ PICTURED CLIFFS, WEST (GAS)
4. Property Code 35721	5. Property Name REGGAE COM	6. Well No. 001
7. OGRID No. 14634	8. Operator Name MERRION OIL & GAS CORP	9. Elevation 6280

10. Surface Location

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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code Communitization		15. Order No.			

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