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

State of New Mexico

Form C-101 Permit 57044

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

Operator Name and Address MERRION OIL & GAS CORP								2. OGRID Number 14634		
610 REILLY AVE FARMINGTON , NM 874012634						3. API Number 30-045-34371				
4. Property Code 5. Property Name 20185 FARMINGTON C COM						933	6. Well No. 001E			
				7. S	urface Loc	ation				
UL - Lot E	Section 15	Township 29N	Range 13W	Lot Idn E	Feet From 1610	N/S Line S	Feet From 1400	E/W Line W	County SAN JUAN	
				8. F	ool Inform	ation	1			
ASIN DA	KOTA (PR	ORATED	GAS)						715	

Additional	Well	Info	rma	tion
------------	------	------	-----	------

	561						(1)()	
9. Work Type New Well	39/23/13	10. Well Type GAS		11. Cable/Rotary		12. Lease Type Private	13. Ground Level Elevation 5286	
14. Multiple N	15. Proposed Depth		16. Formation Dakota Formation			17. Contractor	18. Spud Date 9/1/2007	
Depth to Ground 5		Dis	tance from neares	t fresh water w	ell	Distance to nearest surface water		
it: Liner: Synthetic [Closed Loop Syste	mils thick	Clay	Pit Volume:		Drilling Method: Fresh Water Brine	Diesel/Oil-based Gas/Air		

19. Proposed Casing and Cement Program

Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	320	224	0
Prod	7.875	4.5	11.6	6479	1358	0

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

3	Туре	Working Pressure	Test Pressure	Manufacturer
Š	DoubleRam	2000	2000	

I hereby certify that the information given of my knowledge and belief. I further certify that the drilling pit wil		OIL CONSERVATION DIVISION			
NMOCD guidelines a general permi OCD-approved plan		Approved By: Charlie Perrin			
Printed Name: Electronically filed	by Esther Greyeyes	Title: District Supervisor			
Title: Production Tech		Approved Date: 7/26/2007	Expiration Date: 7/26/2008		
Email Address: ejgreyeyes@merrio	on.bz	13,500	6.2 E1		
Date: 7/18/2007 P	'hone: 505-324-5310	Conditions of Approval Attached			

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

State of New Mexico

Form C-102 Permit 57044

Energy, Minerals and Natural Resources Oil Conservation Division

1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

	EDD DOCITION ID THE	CLITOL DEDICTION		
1. API Number	2. Pool Code	3. Poo	3. Pool Name	
30-045-34371	71599	(PRORATED GAS)		
4. Property Code	5. Proper	6. Well No.		
20185	FARMINGT	ON C COM	001E	
7. OGRID No.	8. Operati	9. Elevation		
14634	MERRION OIL	5286		

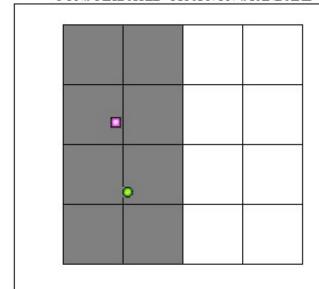
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	15	29N	13W		1610	S	1400	w	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
E	15	29N	13W	E	2136	N	1153	W	SAN JUAN
007001000000	cated Acres	13.	Joint or Infill	1	14. Consolidation Code 15. Order No.		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: Esther Greyeyes Title: Production Tech Date: 7/18/2007

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: 6/26/2007 Certificate Number: 6844

Permit Conditions of Approval

Operator: MERRION OIL & GAS CORP , 14634 Well: FARMINGTON C COM #001E

API: 30-045-34371

OCD Reviewer	Condition
SHAYDEN	Will require a directional survey with the C-104