

MERRION OIL & GAS CORPORATION

P. O. Box 840
FARMINGTON, NEW MEXICO 87499

PH. 505-325-5093

[Handwritten signature/initials]

November 8, 1985

Rec. 11/12/85

Mike Stogner
Chief Hearing Officer
New Mexico Oil
Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

Case 8772

Re: December 4, 1985 Hearing

Dear Mike:

To confirm our phone conversation on November 8, 1985, Merrion Oil and Gas Corporation's application for an unorthodox location in Section 28, Township 20 North, Range 06 West is cancelled. The application for an unorthodox location in Section 36, Township 20 North, Range 05 West is now to be heard on December 4, 1985.

In addition, at the same December 4, 1985 hearing, Merrion Oil and Gas Corporation intends to present evidence to obtain an Oil Discovery Allowable (Rule G-509) on the Arena Blanca #1 well in Section 36, Township 20 North, Range 05 West. Evidence for a "special" depth bracket allowable for the Arena Blanca #1, which is greater than the regular depth bracket allowable, will also be presented.

*Pool Creation
- Special Permit
Allowable
- Special
Permit
OK*

603

Thank you for your assistance and please call if you have any questions.

Respectfully,

T. Greg Merrion

T. Greg Merrion
Production Engineer

TGM/ljm

PS Form 3811, July 1983

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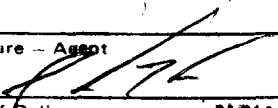
2. ☐ Restricted Delivery.

3. Article Addressed to:
Kaiser Francis Oil Company
P. O. Box 21468
Tulsa, Ok 74121-1468

4. Type of Service: Article Number
☐ Registered ☐ Insured
☐ Certified ☐ COD
☐ Express Mail P554-067-404

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6. Signature - Agent
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7. Date of Delivery NOV 4 1985

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3. Article Addressed to:
Chevron, USA
P. O. Box 599
Denver, CO 80201

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☒ Express Mail 6-37005826
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DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983

Arena Blanca 1

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1. ☒ Show to whom, date and address of delivery.
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3. Article Addressed to:
Trend Exploration Ltd.
777 Grant Street
Suite 600
Denver, Co 80203

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	483-749-246

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6. Signature - Agent

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DOMESTIC RETURN RECEIPT

Arena Blanca 1

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1. ☒ Show to whom, date and address of delivery.
2. ☐ Restricted Delivery.

3. Article Addressed to:
Santa Fe Energy Company
1616 Glenharm Place
Suite 2600
Denver, Colorado 80202

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	483-749-245

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee

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7. Date of Delivery

10-17-85

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PS Form 3811, July 1983

DOMESTIC RETURN RECEIPT

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Arena Blanca 1

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1. ☒ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:

Yates Petroleum Corp
207 S. 4th Street
Artesia, NM 88210

4. Type of Service: Article Number

<input type="checkbox"/> Registered	<input type="checkbox"/> Insured	483-749-247
<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD	
<input type="checkbox"/> Express Mail		

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X

6. Signature - Agent
X

7. Date of Delivery
[Signature]

8. Addressee's Address (ONLY if requested and fee paid)
10-17-85

DOMESTIC RETURN RECEIPT

Arena Blanca 1

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1. ☒ Show to whom, date and address of delivery.

2. ☐ Restricted Delivery.

3. Article Addressed to:

Champlin Petroleum Co.
P. O. Box 1257
Englewood, Co 80150

4. Type of Service: Article Number

<input type="checkbox"/> Registered	<input type="checkbox"/> Insured	483-749-252
<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD	
<input type="checkbox"/> Express Mail		

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
X

6. Signature - Agent
X

7. Date of Delivery
[Signature]
10-17-85

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DOMESTIC RETURN RECEIPT

Arena Blanca 1

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1. ☒ Show to whom, date and address of delivery.
 2. ☐ Restricted Delivery.

3. Article Addressed to:
 Quintana Petroleum Corp
 818 17th Street
 Suite 610
 Denver, Colorado 80202

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	483-749-248

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
 X *[Signature]*

6. Signature - Agent
 X

7. Date of Delivery
 10-17

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

Arena Blanca 1

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1. ☒ Show to whom, date and address of delivery.
 2. ☐ Restricted Delivery.

3. Article Addressed to:
 F. E. Hunt
 P. O. Box 151
 Florence, Oregon 97439

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	483-749-251

Always obtain signature of addressee or agent and **DATE DELIVERED.**

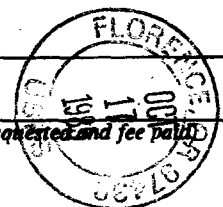
5. Signature - Addressee
 X *[Signature]*

6. Signature - Agent
 X *[Signature]*

7. Date of Delivery

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DOMESTIC RETURN RECEIPT



Case 8772

APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509.
If discovery is claimed for more than one zone, separate forms must be filed for each.

Operator Merrion Oil and Gas Corporation		Address P.O. Box 840 Farmington, New Mexico 87499	
Lease Name Arena Blanca		Well No. 1	County McKinley
Well Location Unit Letter <u>I</u> ; <u>2360</u> Feet from The <u>South</u> Line and <u>1200</u> Feet From the <u>East</u> Line of Section <u>36</u> , Township <u>20N</u> , Range <u>05W</u> , NMPM			
Suggested Pool Names (List in order of preference) 1. <u>Arena Blanca</u> 2. <u>Penistaja</u> 3. <u>Little Blue Mesa</u>			
Name of Producing Formation <u>Entrada</u>		Perforations <u>5514, 15, & 15.5</u>	Date of Filing Form C-104 <u>10-1-85</u>
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? <u>No</u>		If Yes, Give Date of Filing	Date Well was Spudded <u>7-14-85</u>
Total Depth <u>5614' KB</u>		Plugged Back Depth <u>5569' KB</u>	Depth Casing Shoe <u>5614' KB</u>
		Tubing Depth <u>5548' KB</u>	Elevation (Gr., DF, RKB, RT, etc.) <u>6634' GL</u>
Oil Well Potential (Test to be taken only after all load oil has been recovered) <u>357</u> Bbls. Oil Per Day Based On <u>327</u> Bbls In <u>22</u> Hours; <u>0</u> Bbls Water Per Day Based On <u>0</u> Bbls In <u>22</u> Hours; Gas Production During Test: <u>TSTM</u> MCF; Gas-Oil Ratio: <u> </u> Method Of Pumping: <u>Pumping</u> Chk. Size: <u> </u>			
NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):			
Pool Name <u>Undesignated</u>	Name of Producing Formation <u>Gallup</u>	Top of Pay <u>3270'</u>	Bottom of Pay <u>3578'</u>
Currently Producing? <u>No</u>		Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool <u>1350' SE</u>	
		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool <u>1936'</u>	
NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):			
Pool Name <u>Ojo Encino Entrada</u>	Top of Pay <u>5900'</u>	Bottom of Pay <u>5930'</u>	Currently Producing? <u>No</u>
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool <u>4 miles Northwest</u>			
Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? <u>No</u>		If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County	
Is the Subject Well Multiple Completion? <u>No</u>		Is Discovery Allowable Requested for other Zone(s)? <u>No</u>	
If Yes, Name all Such Formations			

(Continue on reverse side)

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
Kaiser-Francis Oil Company	P.O. Box 24168 Tulsa, OK 74121-1468
Champion Petroleum Company	P.O. Box 1257, Englewood, CO 80150
Chevron, USA Inc.	P.O. Box 599, Denver, CO 80201
F.E. Hunt	P.O. Box 151, Florence, OR 97439
Quintana Petroleum Corporation	818 17th St. Suite 610, Denver, Co 80202
Santa Fe Energy Company	1616 Glenham Place, Suite 2600, Denver, Co 80202
*cont'd below	

Each evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Division of such intent in writing within ten days after receiving a copy of this application.

Remarks:

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Division have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

T. Greg Merrion
Signature
T. Greg Merrion

Production Engineer
Position

October 3, 1985
Date

*Yates Petroleum Corporation 207 S. 4th Street, Artesia, New Mexico 88210
Trend Exploration Ltd. 777 Grant Street, Suite 600, Denver, Co 80203

ADDENDUM

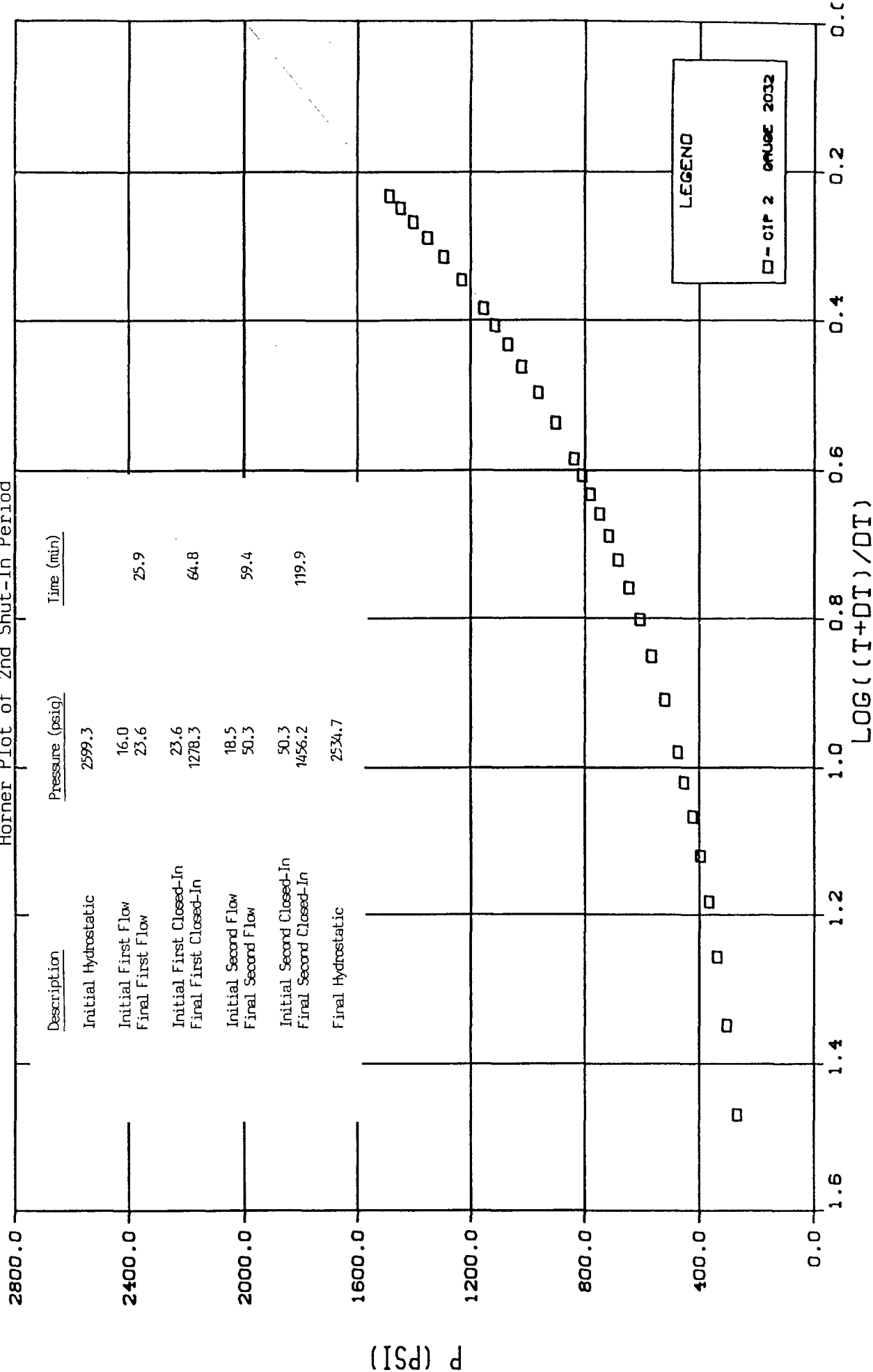
RULE 509: OIL DISCOVERY ALLOWABLE

1. Enclosed is a map depicting all wells within a two mile radius of the Arena Blanca #1 which includes the name of all lessees of record.
2. Enclosed is an electrical log of the Arena Blanca #1. The top and bottom of the Entrada are indicated since it is the producing interval in the subject well. The top and bottom of the Gallup formation are shown since it once produced in the Chittum-Penistaja #1. The top and bottom of the Menefee Mesaverde are shown since the Bird Federal 12-5 produces from this interval.
3. No structural map is enclosed since no other nearby wells within the two mile radius have ever produced hydrocarbons from the Entrada.
4. No cross section of the Entrada is enclosed for the same reason as indicated in No. 3.
5. Enclosed is a Horner plot derived from drill stem test data which indicates an initial bottom hole pressure of approximately 2000 psi. Also enclosed is a sidewall core analysis with the information on the Entrada highlighted in yellow. In addition, an Entrada oil analysis and water analysis are included.

Arena Blanca #1
Interval Tested: Entrada (5480'-91')

DST Information

Horner Plot of 2nd Shut-In Period





GEOCHEMICAL ANALYSES
SOURCE ROCK EVALUATION

CRUDE OIL—SOURCE ROCK CORRELATION

CRUDE OIL CHARACTERIZATION
GEOCHEMICAL PROSPECTING

1143-C BRITTMORE ROAD • HOUSTON, TEXAS 77043-5094 • 713/467-7011

September 10, 1985

Mr. Doug Endsley
MERRION OIL AND GAS CORP.
P.O.Box 840
Farmington, New Mexico 87499

RE: GeoChem Job No. 3190
Six Sidewall Cores from NM

Dear Mr. Endsley:

Enclosed please find the results of geochemical analyses performed on a suite of six (6) sidewall core samples from New Mexico.

These samples were submitted to the following geochemical analyses:

- o Total organic carbon and brief lithological descriptions.....Table I
- o Rock-Eval pyrolysis.....Table II
- o Visual kerogen assessment.....Table III

Comments on Environment of Deposition of Six Sidewall Cores
Submitted for Analyses

Samples from 1644' and 2058', the Late Cretaceous Menefee mudstones are rich in amorphous sapropel (oil-prone) with secondary amounts of terrestrially-derived herbaceous, woody and reworked terrestrial kerogen. Although these mudstones were doubtless deposited in a transitional environment, the sediments are rich in marine-type kerogen. Transitional environments, in light of their location between marine and terrestrial environments, are prone to accumulate kerogen from both marine and terrestrial sources. In these two sidewall cores the "marine" component predominates volumetrically over the terrestrial component. This "marine" kerogen may have come from euryhline marine algae accumulating in transitional aqueous systems or may have accumulated from fresh water (lake or stream) algae. From these two sidewalls it appears that the organic material is predominantly amorphous in character and that the amorphous kerogen would have been the first to source oil in this section. The results of Rock-Eval pyrolysis indicate the first mudstone sampled (1644') had neither adsorbed hydrocarbons (low S₁) nor generative potential (low S₂). The second Menefee mudstone (2058') is considerably more prospective. With a large S₁ peak there is evidence of reservoired hydrocarbons in this sample. Because the kerogen in this sample is predominantly mature amorphous kerogen, it appears that the amorphous kerogen may have sourced the reservoired hydrocarbons associated with the mudstone.

September 10, 1985

The mudstone sample from 3554' is consistent with the kerogen that would be expected from a regressive marine sediment. The strong physical similarity of the kerogen with that from the Menefee (2058') strongly suggests that the Menefee mudstone is more marine than lacustrine in character. In this sample the amorphous kerogen would be expected to source liquid hydrocarbons before the lesser quantity of terrestrial kerogen could act as source.

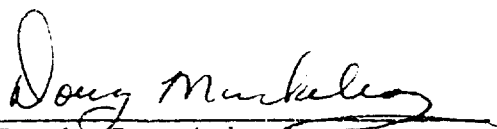
[As you will see from the visual kerogen assessment worksheet, caved or drilling mud contaminants are associated with these mudstone sidewall cores. The 'caved' materials are distinctly less mature and have a definite Upper Cretaceous or Lower Tertiary pollen flora associated with the woody kerogen in them. The caved kerogen is not included in the interpretations here.]

The sample from 4077' was reported as Cretaceous Semilla formation - an offshore sand bar or a calcarenite. The mudstone from this interval was noncalcareous. The character of the kerogen in this sample limits the environments in which this mudstone may have been deposited. This interval contained only inertinite - kerogen which may have been oxidized from other kerogen. The "medium" size of this kerogen may indicate its transport as part of a sand bed load. Winnowing of a sand body could explain the lack of finer (typical amorphous) kerogen. A calcarenite or mudstone associated with a calcarenite would be expected to include amorphous kerogen. From the kerogen it appears that the mudstone from 4077' was more likely to have come from a temporarily emergent offshore sand bar than from an offshore calcarenite.

The two mudstones 5509' and 5518' from the Entrada have kerogen types that are consistent with their widely accepted origin as aeolian sand accumulations. The inertinitic character of their kerogen is consistent with the severe oxidizing environment of aeolian deposits.

Should we be of further assistance concerning this study or any other matter, please advise.

Yours truly,


Ann Brooke Reaugh by
Douglas A. Muckelroy
GEOCHEM LABORATORIES, INC.

st

Enclosures



TABLE I

LITHOLOGICAL DESCRIPTIONS AND ORGANIC CARBON ANALYSES

MERRION OIL AND GAS CORP. - SIX SIDEWALL CORES FROM NEW MEXICO

SAMPLE NUMBER	DEPTH (feet)	LITHO DESCRIPTION	GSA NO.	ORGANIC CARBON (wt.%)
3190-001	1644	100% Mudstone, very light gray		0.23
3190-002	2058	100% Mudstone, very light gray		0.46
3190-003	3554	100% Mudstone, very light gray		0.59
3190-004	4077	100% Mudstone, light gray		0.30/0.28
3190-005	5509	100% Mudstone, light gray		0.69
3190-006	5518	100% Mudstone, light gray		0.68

TABLE II

RESULTS OF ROCK-EVAL PYROLYSIS ANALYSIS

GEOCHEM SAMPLE NUMBER	DEPTH INTERVAL (feet)	TMAX (c)	S1 (mg/g)	S2 (mg/g)	S3 (mg/g)	PI	PC*	T.O.C. (wt.%)	HYDROGEN INDEX	OXYGEN INDEX
3190-001	1644	402	0.07	0.27	0.69	0.21	0.02	0.23	117	300
3190-002	2058	403	2.20	1.44	0.90	0.60	0.30	0.46	313	195
3190-002(Rinsed)	2058	434	0.06	0.01	0.82	1.00	0.00	0.46	2	178
3190-003	3554	419	1.44	1.99	0.89	0.42	0.28	0.59	337	150
3190-003(Rinsed)	3554	426	0.05	0.11	1.00	0.31	0.11	0.59	18	169
3190-004	4077	423	0.04	0.20	0.86	0.17	0.02	0.29	68	296
3190-005	5509	310	5.80	2.99	1.19	0.66	0.73	0.69	433	172
3190-005(Rinsed)	5509	314	0.04	0.08	0.50	0.33	0.01	0.69	11	72
3190-006	5518	364	5.16	2.83	0.72	0.65	0.66	0.68	416	105
3190-006(Rinsed)	5518	312	0.04	0.05	0.46	0.50	0.00	0.68	7	67

T.O.C. = Total organic carbon, wt. %
 S1 = Free hydrocarbons, mg HC/g of rock
 S2 = Residual hydrocarbon potential (mg HC/g or rock)
 S3 = CO₂ produced from kerogen pyrolysis (mg CO₂/g of rock)
 PC* = 0.083 (S1 + S2)
 Hydrogen Index = mg HC/g organic carbon
 Oxygen Index = mg CO₂/g organic carbon
 PI = S1/S2 + S2
 TMAX = Temperature Index, degrees C.

TABLE III

VISUAL KEROGEN ASSESSMENT WORKSHEET

GEOCHEM No	DEPTH	INDIGENOUS POPULATION (INTERPRETED)		GENERAL CHARACTERISTICS			CAVED AND/OR REWORKED POPULATION(S)		SUMMARY ORGANIC MATTER TYPE
		TYPE OF ORGANIC MATTER	MATURATION INDEX	COLOR OF ORGANIC MATTER	STATE OF ORGANIC MATTER	%	TYPE OF ORGANIC MATTER	MATURATION INDEX	
3190-001	1644	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H
3190-002	2058	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H
3190-003	3554	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H	Am; W; H
3190-004	4077	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -
3190-005	5509	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -
3190-006	5518	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -	I; -; -

NOTES:

In sample -003 the 2-/2 palynomorphs are Upper Cretaceous or Tertiary

In sample -004 the immature population is Tertiary

of samples -004, -005, -006 maybe Entrada.

If this is an eolian or transitional deposit, organic matter in it would probably have been oxidized as it was deposited and thus appear severely altered.

ANALYSIS NO. 4Q-4-85

API FORM 45-1

FIELD RECEIPT NO. N/A

API WATER ANALYSIS REPORT FORM

Company MERRION OIL & GAS		Sample No.		Date Sampled 10/2/85	
Field		Legal Description		County or Parish State	
Lease or Unit Arena Blanca		Well #1		Depth Formation Water, B/D	
Type of Water (Produced, Supply, etc.) produced		Sampling Point		Sampled By	

DISSOLVED SOLIDS

CATIONS	mg/l	me/l	ppm
Sodium, Na (calc.)	3218	140	3174
Calcium, Ca	282	14.1	278
Magnesium, Mg	0	0	0
Barium, Ba	-	-	-
Potassium, K ⁺	30	.767	30

ANIONS

Chloride, Cl	2208	62.2	2178
Sulfate, SO ₄	4310	89.7	4250
Carbonate, CO ₃	41	.683	40
Bicarbonate, HCO ₃	135	2.21	133

Total Dissolved Solids (calc.)

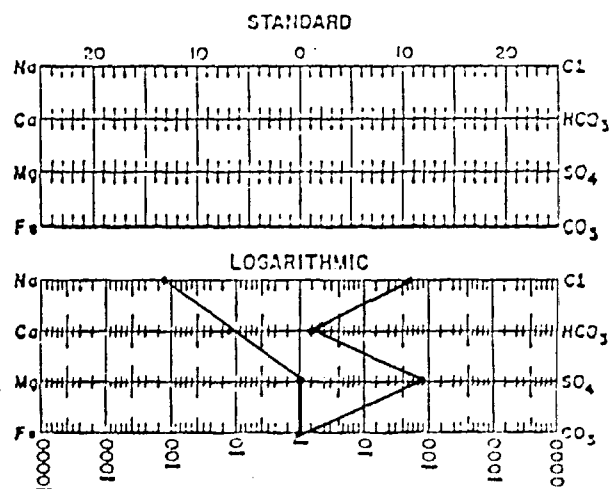
10,224

Iron, Fe (total) Fe⁺⁺ 0; Fe⁺⁺⁺ 0Sulfide, as H₂S

OTHER PROPERTIES

pH	7.8
Specific Gravity, 60/60 F.	1.014
Resistivity (ohm-meters) 74° F.	0.75
Total hardness	690

WATER PATTERNS — me/l



REMARKS & RECOMMENDATIONS:

ANALYST: Russ Pyeatt

THE WESTERN COMPANY OF
NORTH AMERICA, FARMINGTON, NM
(505) 327-6222

Please refer any questions to: Clay Terry, District Engineer or
Tom Burris, Field Engineer

Analysis No. _____
Date 10/12/85

The Western Company

Oil Analysis

Operator <u>Merrion Oil & Gas</u>	Date Sampled <u>8-27-85</u>
Well <u>Arena Blanca #1</u>	Date Received <u>8-22-85</u>
Field <u>Wildcat Entrada</u>	Submitted By <u>Doug Insley/T.Gregg Merrion</u>
Formation <u>Entrada</u>	Worked By <u>Russ Pyeatt</u>
Depth <u>5755</u>	Sample Description <u>Dark, brownish</u>
County <u>McKinley</u>	<u>0.7. No water observed.</u>
State <u>New Mexico</u>	

API Gravity 32.9° at 60°F

*Paraffin Content 15.5 % by weight

*Asphaltene Content 7.1 % by weight

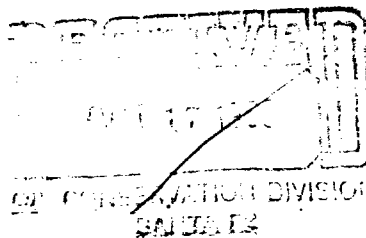
Pour Point 49 °F

Cloud Point Nobs °F

Comments:

Cloud point non-observable due to opaque characteristics
of oil.

Analyst Russ Pyeatt



Form C-104
Revised 10-01-78
Format 06-01-83
Page 1

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

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LAND OFFICE	
TRANSPORTER	OIL
	GAS
OPERATOR	
PRODUCTION OFFICE	

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OCT 01 1985

OIL CON. DIV.
DIST. 2

I. Operator
Merrion Oil & Gas Corporation

Address
P. O. Box 840, Farmington, New Mexico 87499

Reason(s) for filing (Check proper box)

<input checked="" type="checkbox"/> New Well	Change in Transporter of:	<input type="checkbox"/> Oil	<input type="checkbox"/> Dry Gas
<input type="checkbox"/> Recompletion	<input type="checkbox"/> Casinghead Gas	<input type="checkbox"/> Condensate	
<input type="checkbox"/> Change in Ownership			

Other (Please explain)

If change of ownership give name and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name Arena Blanca	Well No. 1	Pool Name, Including Formation WC Entrada	Kind of Lease State, Federal or Fee State	Lease No. LG 7435
Location Unit Letter T : 2360 Feet From The South Line and 1200 Feet From The East Line of Section 36 Township 20N Range 5W, NMPM, McKinley County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

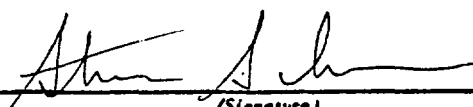
Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> The Mancos Corporation	Address (Give address to which approved copy of this form is to be sent) P. O. Box 1320, Farmington, New Mexico 87499
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
If well produces oil or liquids, give location of tanks.	Unit : I Sec. : 36 Twp. : 20N Rge. : 5W
Is gas actually connected?	When

If this production is commingled with that from any other lease or pool, give commingling order number:

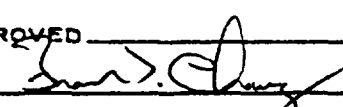
NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.


(Signature)
Steve S. Dunn, Operations Manager
(Title)
(Date)

OIL CONSERVATION DIVISION

APPROVED
OCT - 1 1985
BY 
TITLE SUPERVISOR DISTRICT 23

This form is to be filed in compliance with RULE 1104.
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for allowable on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.
Separate Forms C-104 must be filed for each pool in multiply completed wells.

IV. COMPLETION DATA

Designate Type of Completion - (X)		Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
		XX		XX					
Date Spudded 7/14/85	Date Compl. Ready to Prod. 8/27/85		Total Depth 5614' KB				P.B.T.D. 5569' KB		
Elevations (DF, RKB, RT, GR, etc.) 5534' GL, 5547' KB	Name of Producing Formation Entrada		Top Oil/Gas Pay 5514' KB				Tubing Depth 5548' KB		
Perforations 5514 - 5516							Depth Casing Shoe		

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
13-1/2"	9-5/8", 32 #/ft, J-55	231' KB	190 sk (224.2 cu. ft.)
8-3/4"	7", 23 #/ft, J-55	5614' KB	760 sk (1003.2 cu. ft.)
			300 sk (396 cu. ft.)

V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

Date First New Oil Run To Tanks 8/27/85	Date of Test 9/30/85	Producing Method (Flow, pump, gas lift, etc.) Pumping	
Length of Test 22 hours	Tubing Pressure 10 PSIG	Casing Pressure	Choke Size 3/4
Actual Prod. During Test 327 Bbls	Oil-Bbls. (24 hr.) 357 Bbls	Water-Bbls. 0	Gas-MCF TSTM

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (shut-in)	Casing Pressure (shut-in)	Choke Size

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

Form C-105
Revised 10-1-78

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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OPERATOR	

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
LG 7435	

1a. TYPE OF WELL

b. TYPE OF COMPLETION	
NEW WELL <input checked="" type="checkbox"/>	WORK OVER <input type="checkbox"/>
DEEPEN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>
DIFF. RESRV. <input type="checkbox"/>	OTHER <input type="checkbox"/>

2. Name of Operator

Merrion Oil & Gas Corporation

3. Address of Operator

P. O. Box 840, Farmington, New Mexico 87477

4. Location of Well

UNIT LETTER I LOCATED 2360 FEET FROM THE South LINE AND 1200 FEET FROM

THE East LINE OF SEC. 36 TWP. 20N RGE. 5W

15. Date Spudded 7/14/85 16. Date T.D. Reached 7/27/85 17. Date Compl. (Ready to Prod.) 8/27/85

18. Elevations (DF, RKB, RT, GR, etc.) 6634' GL 19. Elev. Casinhead 6647' KB

20. Total Depth 5614' KB 21. Plug Back T.D. 5569' KB 22. If Multiple Compl., How Many

23. Intervals Drilled By Rotary Tools o - TD Cable Tools 24. Producing Interval(s), of this completion - Top, Bottom, Name 5515 - 5515.5' KB Entrada

25. Was Directional Survey Made No 26. Type Electric and Other Logs Run Cement Bond Correlation Log, Dual Guard and Compensated Density

27. Was Well Cored No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	32 #/ft., J-55	231' KB	13-1/2"	190 sx (224.2 cu. ft.) Class B	
7"	23 #/ft., J-55	5614' KB	8-3/4"	760 sx (1003.2 cu. ft.) Class H	
				300 sx (396 cu. ft.) Class H	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8"	5548' KB	

31. Perforation Record (Interval, size and number)

5514, 5515, 5515.5' Total of 3 holes.
(Shot 3 holes 5508 - 5510, 4 holes 5514 - 5517, Squeezed off.)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
5508 - 5517	Squeezed off with 35 sx Class H 1% CaCl ₂ . (42.7 cu. ft.)

33. PRODUCTION

Date First Production 8/27/85 Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping Well Status (Prod. or Shut-in)

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas-Oil Ratio
9/30/85	22	3/4		327	TSTM	0	
Flow Turning Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)	
10 PSIG			357	TSTM	0	32.9	

34. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented Test Witnessed By Merle Ellsaesser

35. List of Attachments

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED [Signature] TITLE Operations Manager DATE 10/1/85

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs Surface _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House 1308 _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee 1440 _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout 2348 _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos 2490 _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup 3300 _____	T. Ignacio Qtzite _____
T. Glorieta _____	T. McKee _____	Base Greenhorn 4295 _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota 4379 _____	T. _____
T. Blinbry _____	T. Gr. Wash _____	T. Morrison 4760 _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto 5494 _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada 5503 _____	T. _____
T. Abo _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____ No. 4, from _____ to _____
No. 2, from _____ to _____ No. 5, from _____ to _____
No. 3, from _____ to _____ No. 6, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet. _____

No. 2, from _____ to _____ feet. _____

No. 3, from _____ to _____ feet. _____

No. 4, from _____ to _____ feet. _____

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease

State ☒ Fee ☐

5. State Oil & Gas Lease No.

LG 7435

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. Unit Agreement Name
2. Name of Operator Merrion Oil & Gas Corporation		8. Farm or Lease Name Arena Blanca
3. Address of Operator P. O. BOX 840, Farmington, New Mexico 87499		9. Well No. 1
4. Location of Well UNIT LETTER <u>I</u> <u>2360</u> FEET FROM THE <u>South</u> LINE AND <u>1200</u> FEET FROM THE <u>East</u> LINE, SECTION <u>36</u> TOWNSHIP <u>20N</u> RANGE <u>5W</u> NMPM.		10. Field and Pool, or Wildcat WC Entrada
15. Elevation (Show whether DF, RT, GR, etc.) 6634' GL		12. County McKinley

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <u>First Production</u> <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Pressure tested casing to 4000 PSI for 30 minutes. Held.

PBTD - 5569' KB.

First Production - 8/27/85.

RECEIVED
AUG 29 1985
OIL CON. DIV.
DIST. 3

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

SIGNED [Signature] TITLE Operations Manager DATE 8/28/85

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT #1 DATE AUG 29 1985

CONDITIONS OF APPROVAL, IF ANY:

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. LG 7435	

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. Unit Agreement Name
2. Name of Operator Merriion Oil & Gas Corporation		8. Farm or Lease Name Arena Blanca
3. Address of Operator P. O. Box 840, Farmington, New Mexico 87499		9. Well No. 1
4. Location of Well UNIT LETTER <u>I</u> <u>2360</u> FEET FROM THE <u>South</u> LINE AND <u>1200</u> FEET FROM THE <u>East</u> LINE, SECTION <u>36</u> TOWNSHIP <u>20N</u> RANGE <u>5W</u> NMPM.		10. Field and Pool, or Wildcat WC Entrada
15. Elevation (Show whether DF, RT, GR, etc.) 6634' GL		12. County McKinley

16.

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐
PULL OR ALTER CASING ☐
OTHER ☐

PLUG AND ABANDON ☐
CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐
COMMENCE DRILLING OPNS. ☐
CASING TEST AND CEMENT JOBS ☒
OTHER ☐

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

TD 5614' KB, 7/27/85.

Ran 7", 23 #/ft. production casing. Set casing @ 5614' KB with 760 sx (1003.2 cu. ft.)
Class H, 50-50 poz w/4% gel. 300 sx (396 cu. ft.) Class H, 50-50 poz, 4% gel.
(2 stage cement job.)

RECEIVED
JUL 30 1985
OIL CON. DIV.
DIST. 3

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

SIGNED <u>[Signature]</u>	TITLE <u>Operations Manager</u>	DATE <u>7/29/85</u>
APPROVED BY <u>[Signature]</u>	TITLE <u>SUPERVISOR DISTRICT # 3</u>	DATE <u>JUL 30 1985</u>
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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease
State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.
LG 7435

SUNDRY NOTICES AND REPORTS ON WELLS <small>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)</small>	
1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Merrion Oil & Gas Corporation	8. Farm or Lease Name Arena Blanca
3. Address of Operator P. O. Box 840 Farmington, New Mexico 87499	9. Well No. 1
4. Location of Well UNIT LETTER <u>I</u> <u>2360</u> FEET FROM THE <u>South</u> LINE AND <u>1200</u> FEET FROM THE <u>East</u> LINE, SECTION <u>36</u> TOWNSHIP <u>20N</u> RANGE <u>5W</u> NMPM.	10. Field and Pool, or Wildcat WC Entrada
15. Elevation (Show whether DF, RT, GR, etc.) 6634' GL	12. County McKinley

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> OTHER <input type="checkbox"/>
REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> Change of plans <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

In the event Merrion elects to run casing, we request permission to change plans as follows:

Run 7", 23 #/ft, N-80 Buttress Casing to TD.
 Single Stage Cement with 250 sx Class B 2% D-79 (515 cu. ft.) followed by
 100 sx Class H 2% Gel (122 cu. ft.). Top of cement estimated - 1380'.

RECEIVED
 JUL 18 1985
 OIL CON. DIV.
 DIST. 3

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.		
SIGNED <u>[Signature]</u>	TITLE <u>Operations Manager</u>	DATE <u>7/17/85</u>
JUL 18 1985		
APPROVED BY <u>[Signature]</u>	TITLE <u>SUPERVISOR DISTRICT # 3</u>	DATE _____
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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
LG 7435	
7. Unit Agreement Name	
8. Farm or Lease Name	
Arena Blanca	
9. Well No.	
1	
10. Field and Pool, or Wildcat	
WC Entrada	
12. County	
McKinley	

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT --" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator
Merrion Oil & Gas Corporation
3. Address of Operator
P. O. Box 840, Farmington, New Mexico 87499
4. Location of Well
UNIT LETTER I, 2360 FEET FROM THE South LINE AND 1200 FEET FROM East LINE, SECTION 36 TOWNSHIP 20N RANGE 5W NMPM.
15. Elevation (Show whether DF, RT, GR, etc.)
6634' GL

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK	<input type="checkbox"/>
TEMPORARILY ABANDON	<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>
OTHER	<input type="checkbox"/>

PLUG AND ABANDON	<input type="checkbox"/>
CHANGE PLANS	<input type="checkbox"/>
OTHER	<input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK	<input type="checkbox"/>
COMMENCE DRILLING OPNS.	<input type="checkbox"/>
CASING TEST AND CEMENT JOBS	<input type="checkbox"/>
OTHER Spud, Casing	<input type="checkbox"/>
ALTERING CASING	<input type="checkbox"/>
PLUG AND ABANDONMENT	<input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spud 7/14/85, 5:30 PM.

Drilled 13-1/2" hole to 241' KB. Ran 9-5/8", J-55, 32 #/ft. surface casing. Set casing at 231' KB with 190 sx (224.2 cu. ft.) Class B 2% CaCl2. Circulated 4 Bbls to surface. Pressure tested to 600 PSI for 30 minutes. Held.

RECEIVED
JUL 18 1985
OIL CON. DIV.
DIST. 3

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

SIGNED	TITLE Operations Manager	DATE 7/16/85
APPROVED BY	TITLE SUPERVISOR DISTRICT 3	DATE JUL 18 1985
CONDITIONS OF APPROVAL, IF ANY:		

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
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MAY 19 1985
OIL CONSERVATION DIVISION
SANTA FE

30-031-20883
Form C-101
Revised 10-1-78

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OPERATOR	

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. LG 7435

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Arena Blanca
2. Name of Operator Merrion Oil & Gas Corporation		9. Well No. 1
3. Address of Operator P. O. Box 1017, Farmington, New Mexico 87499		10. Field and Pool, or Wildcat WC Entrada
4. Location of Well UNIT LETTER <u>I</u> LOCATED <u>2360</u> FEET FROM THE <u>South</u> LINE AND <u>1200</u> FEET FROM THE <u>East</u> LINE OF SEC. 36 TWP. 20N RGE. 5W NMPM		12. County McKinley
19. Proposed Depth 5620		19A. Formation Entrada
20. Rotary or C.T. Rotary		
21. Elevations (Show whether DF, RT, etc.) 6634' GL	21A. Kind & Status Plug. Bond Nationwide	22. Approx. Date Work will start Summer/1985

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	9-5/8", J-55	32 #/ft.	200 ft.	75 sx	surface
8-3/4"	7", J-55	23 #/ft.	5620 ft.	as below (970 cu. ft.)	

Will drill 12-1/4" hole to 200 ft. and set 200 ft. of 9-5/8", 32 #/ft. J-55 casing with 75 sx Class B 2% CaCl₂. Will pressure test to 600 PSI for 30 minutes. Drill 8-3/4" hole to 5520' KB. Will run drillstem test of Entrada Interval. If Entrada appears productive, will drill to 5620' KB. Will run open hole logs. Will run 7", 23 #/ft. J-55 casing to 5620' and cement in two stages. First stage will pump 150 sx Class H 2% gel to cover from TD to top(183 of Morrison @ 4630'. Will set stage tool @ 4600' est. and cement with 350 sx Class B 2% (cu ft.) D-79 (726 cu. ft.) followed by 50 sx Class H (61 cu. ft.). Top of cement estimated at surface. Will perforate and stimulate as deemed necessary. Drilling mud will be low solids, non-dispersed, low water loss mud using Bentonite, starch, CMC, and fresh water. Minimum specifications for pressure control is 10" 900 series double ram blowout preventer.

APPROVAL EXPIRES 10-25-85
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

RECEIVED
APR 25 1985

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed [Signature] Title Operations Manager Date 4/24/85

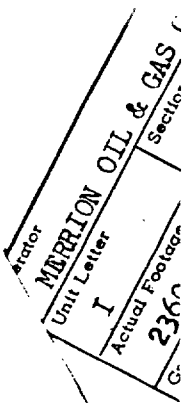
(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT # 3 DATE APR 25 1985

CONDITIONS OF APPROVAL, IF ANY:

ESTIMATED TOPS

Fruitland	Surface
Pictured Cliffs	235
Cliffhouse	480
Menefee	1440
Point Lookout	2340
Mancos	2460
Gallup A	3235
Ballup B	3315
Massive Gallup	3495
Sanostee	3950
Greenhorn	4285
Dakota	4500
Morrison	4630
Todilto	5505
Entrada	5517
TD	5620



**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

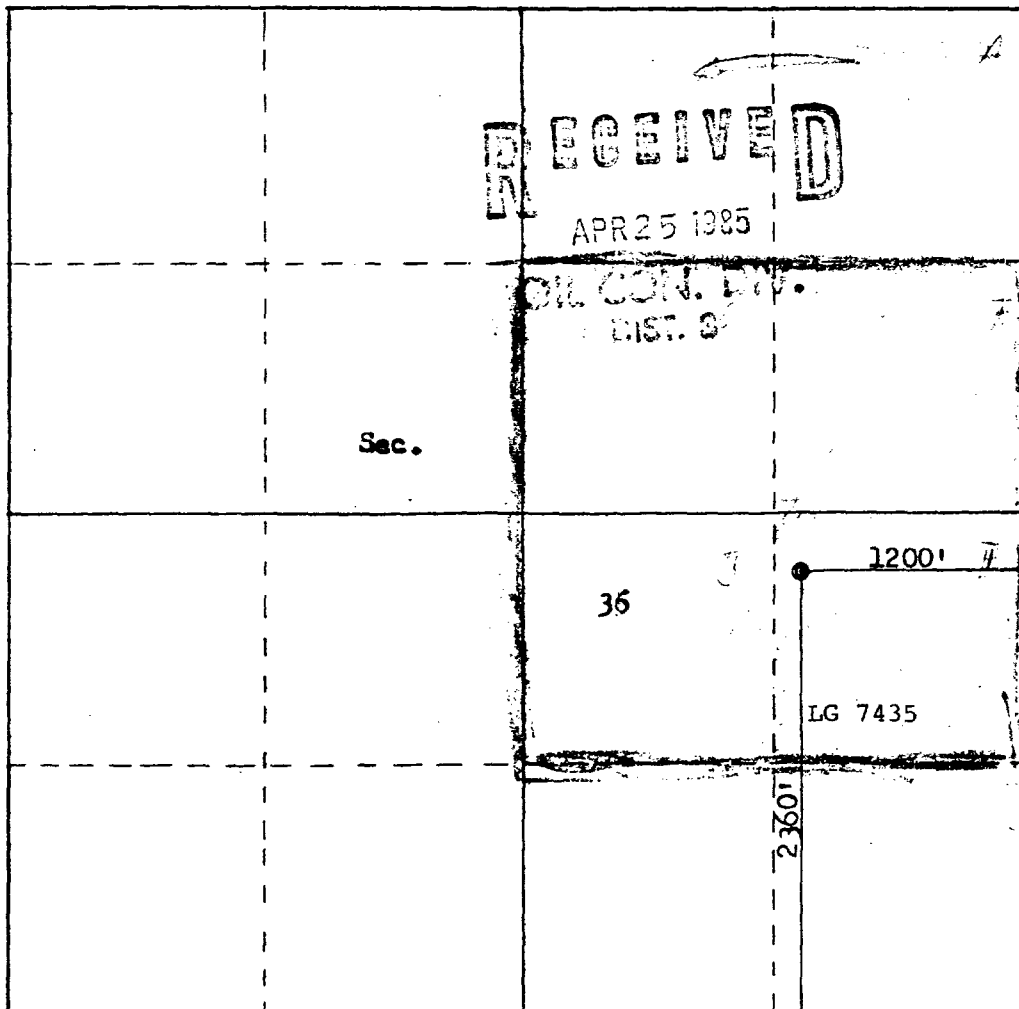
Operator MERRION OIL & GAS CORPORATION			Lease Arena Blanca		Well No. 1
Unit Letter I	Section 36	Township 20N	Range 5W	County McKinley	
Actual Footage Location of Well: 2360 feet from the South line and 1200 feet from the East line					
Ground Level Elev: 6634	Producing Formation Entrada	Pool WC Entrada		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1000'

CERTIFICATION

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

Name
Steve S. Dunn

Position
Operations Manager

Company
Merrion Oil & Gas Corp.

Date
4/15/85

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 knowledge and belief.

Date Surveyed
April 12, 1985

Registered Professional Engineer and Land Surveyor

Fred B. Kerry Jr.

Certificate No. **3950**