

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011

Permit 188217

OIL CONS. DIV DIST. 3

JUL 29 2014

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 87401		2. OGRID Number 14634
		3. API Number 30-045-35582
4. Property Code 3135209	5. Property Name CHIPSNSALSA	6. Well No. 002H

7. Surface Location

UL - Lot H	Section 36	Township 24N	Range 09W	Lot Idn	Feet From 1980	N/S Line N	Feet From 200	E/W Line E	County SAN JUAN
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8. Proposed Bottom Hole Location

UL - Lot E	Section 36	Township 24N	Range 09W	Lot Idn E	Feet From 1980	N/S Line N	Feet From 280	E/W Line W	County San Juan
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9. Pool Information

BASIN MANCOS	97232
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Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 6839
16. Multiple N	17. Proposed Depth 5269	18. Formation Mancos Formation	19. Contractor	20. Spud Date 9/30/2014
Depth to Ground water 7500'		Distance from nearest fresh water well 71000'		Distance to nearest surface water 71000'

☒ We will be using a closed-loop system in lieu of lined pits

21. 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	36	500	195	0
Int1	8.75	7	23	5510	933	0
Prod	6.125	4.5	11.6	9862	340	85360

Hold C104

Casing/Cement Program: Additional Comments

for Directional Survey and "As Drilled" plat	HOLD ON FOR NSL
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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	TBD
Hydril	3000	3000	TBD
Blind	3000	3000	TBD
Pipe	3000	3000	TBD

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable.

Signature: *Philana Thompson*
Printed Name: Philana Thompson
Title: Regulatory Specialist
Email Address: pthompson@merrion-b2
Date: 7-29-14
Phone: 505-324-533

OIL CONSERVATION DIVISION

Charles L. ... 8-7-2014
Approved By: SUPERVISOR DISTRICT #3
Title:
Approved Date: AUG 07 2014
Expiration: AUG 07 2016
Conditions of Approval Attached

AV

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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to
Appropriate District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Drive
Santa Fe, NM 87505

OIL CONS. DIV DIST 3
AMENDED REPORT

JUL 29 2014

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30.045-35582	² Pool Code 97232	³ Pool Name BASIN MANCOS
⁴ Property Code 313509	⁵ Property Name CHIPSNSALSA	⁶ Well Number 2H
⁷ GRID No. 14634	⁸ Operator Name MERRION OIL & GAS CORPORATION	⁹ Elevation 6839'

¹⁰Surface Location

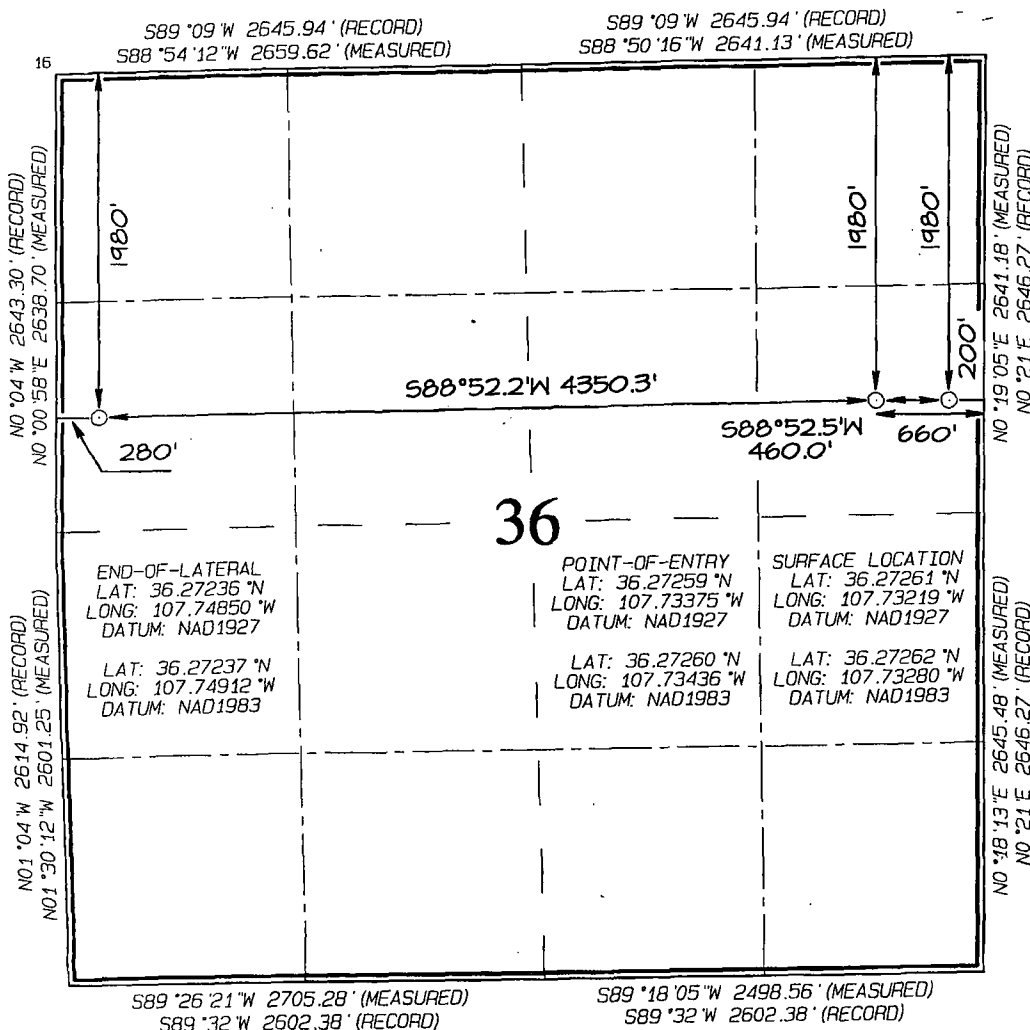
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	36	24N	9W		1980	NORTH	200	EAST	SAN JUAN

¹¹Bottom 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
E	36	24N	9W		1980	NORTH	280	WEST	SAN JUAN

¹² Dedicated Acres 640.0 Acres Entire Section 36	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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



¹⁷ 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 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.

Signature: *Philana Thompson* Date: 5-30-14
Printed Name: Philana Thompson
E-mail Address: pthompson@merrion-bc

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.

Date Revised: MAY 22, 2014
Date of Survey: MARCH 3, 2014

Signature and Seal of Professional Surveyor

Jason C. Edwards
New Mexico
Registered Professional Surveyor
15269

Jason C. Edwards
Certificate Number 15269

7/29/2014



OPERATIONS PLAN

WELL NAME.....Chipsnsalsa #2H
JOB TYPE.....HZ Mancos Shale
PREPARED BY.....Ryan Davis

GENERAL INFORMATION

Surface Location	1980' FNL, 200' FEL
S-T-R	(H) Sec. 36-T24N-R09W
Point of Penetration	1980' FNL, 660' FEL
S-T-R	(H) Sec. 36 T24N-R09W
Bottom Hole Location	1980' FNL, 280' FWL
S-T-R	(E) Sec. 36 T24N-R09W
County, State	San Juan, New Mexico
Elevations	6839' GL
Total Depth	9,862 +/- (MD); 5,269 (TVD)
Formation Objective	Gallup- Mancos Shale

1) ESTIMATED FORMATION TOPS

San Jose	Surface
Kirtland	1270' (TVD)
Fruitland Fm	1418' (TVD)
Pictured Cliffs SS	1640' (TVD)
Chacra	2013' (TVD)
Cliff House	3119' (TVD)
Menefee	3170' (TVD)
Point Lookout	4080' (TVD)
Mancos	4270' (TVD)
KOP	4761' (TVD)
Gallup	5115' (TVD)
Top of Lower Gallip	5253' (TVD)
Lower Gallup (Target zone)	5265' (TVD)
Landing Point	5269' (TVD)
Lower Gallup (Target Zone) Base	5271' (TVD)
Lwr Gllp Base	5276' (TVD)
TD	5244' (TVD)

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DRILLING PLAN

Surface: 12-1/4" wellbore will be drilled to ~ 500' with a fresh water mud system, LSND

Intermediate: 8-3/4" wellbore will be drilled to ~ 5500' (TVD) with a fresh water mud system, LSND. Plan to perform wet cutting analysis through the Gallup interval while drilling vertical hole. Run open hole logs before plugging back vertical hole with cement and open hole whipstock. Open hole whipstock will be set at 4761' MD with ~830' of 2-3/8" tail pipe. Cement will be circulated up through the whipstock to ensure isolation and guarantee departure. Kick off whipstock at 4761' MD, and build angle at 11.35 deg/100' to 85 degrees inclination and at 268.92 degrees Azimuth and land in the Lower Gallup formation at 5617' MD/5269' TVD.

Production: 6-1/8" wellbore will be drilled to ~ 9862.5 MD/5244 (TVD) with an oil based mud system. Mud density is expected to range from 8.0 to 8.4 ppg.

2) ANTICIPATED DEPTHS OF PROSPECTIVE OIL GAS AND OTHER HYDROCARBONS

Primary objective is the Lower Gallup formation encountered first at 5265' TVD at 7" casing point.

See formation listings in #1 above for additional zones of interest.

3) MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL EQUIPMENT:

Wellhead Equipment 3,000 PSI System (See Exhibit 1)

1. 9 5/8" slip-on / welded x 11" 3,000 psi casing head.
2. One 11" 3,000 psi WP double-ram preventer with one (1) set of blind rams on top & one (1) set of pipe rams on bottom complete with hand wheels and extension arms.
3. The choke and kill lines will be connected to outlets between the bottom and top rams, utilizing either the ram body outlet or a drilling spool with side outlets for 2" kill line and minimum 3" choke line
4. One 11" x 3,000 psi WP Hydril GK (or equivalent) annular preventer.
5. Accumulator - Four Station Koomey (or equivalent) 120 gallon closing unit with remote, backup. The accumulator shall have sufficient capacity to open the hydraulically-controlled gate valve and close all rams plus the annular preventer (if needed), with a 50% safety factor and retain a minimum of 200 psi above the precharge on the closing manifold without the use of the closing unit pumps. The reservoir capacity shall be double the usable accumulator capacity, and the fluid level shall be maintained at the manufacturer's recommendations.
6. The BOP system shall have two (2) independent power sources (electric and air) available for powering the closing unit pumps. Sufficient nitrogen bottles are suitable as a backup power source only, and shall be recharged when the pressure falls below manufacturer's specification.
7. A valve shall be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative.

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All BOP equipment will be hydraulically operated with controls accessible both on the rig floor.

The wellhead BOP equipment will be nipped-up on the 9-5/8" x 11" 3,000 psi WP casing head prior to drilling out from under surface casing. All ram preventers and related equipment will be tested to

3,000 psi for 10 minutes. Surface casing will be tested to 70% of internal yield pressure. All preventers and surface casing will be tested before drilling out of surface casing. BOP equipment will be tested every 14 days, after any repairs are made to the BOP equipment, and after the BOP equipment is subjected to pressure. Annular preventers will be functionally operated at least once per week. Pipe rams will be activated daily and blind rams shall be activated each trip or at least weekly. The New Mexico Oil & Gas Conservation Commission and the BLM will be notified 24 hours in advance of testing of BOPE.

4) PROPOSED BIT AND CASING PROGRAM

CASING, TUBING & CASING EQUIPMENT

String	Start Depth	End Depth	Wellbore	Size	Wt	Grade
Surface	0	500'	12-1/4"	9-5/8"	36 lb/ft	J-55 LT&C
Intermediate MVD	0'	5,510'	8-3/4"	7"	23 lb/ft	N-80 LT&C
Production MVD	5,360'	9862'	6-1/8"	4-1/2"	11.6 lb/ft	P-110 LT&C

9-5/8" Surface Casing: Run on 9-5/8" casing from bottom, up – LTC float shoe, thread locked. One joint (45') of 9-5/8" 36#/ft, J-55 LTC R-3 casing, thread locked. LTC float collar, thread locked top and bottom. Run to surface w/ 9-5/8" casing doped with lead free dope. Centralize w/ ONE bow spring above shoe, ONE bow spring on shoe joint (use lock ring) & ONE across each collar on every joint to surface. (~13 total centralizers)

7" Intermediate Casing: Run on 7", 23#, N-80 casing from bottom, up – 7" LTC Halliburton auto-fill float shoe, thread locked. One joint (45') of 7" 23#, N-80 LTC R-3 casing, thread locked. LTC float collar for DV tool, thread locked top and bottom. Run to surface with 7" 23# N-80 LTC casing doped with lead free dope. Centralize w/ ONE bow spring above shoe, ONE bow spring on shoe joint (use lock ring), ONE on every collar to KOP (4662'), then every other joint to DV tool at 4270'. Place bow spring centralizer on joint directly above and below DV tool. Then alternate bow spring centralizer and turbolizer on every 3rd jt to 2700'. (~ 40 centralizers and ~ 8 turbolizers).

4-1/2" Production Liner: Run on 4-1/2", 11.6, P-110, casing from bottom, up – 4.5" double valve float shoe, one joint of 4-1/2" casing, landing collar, 4-1/2" casing. Run 4-1/2" casing from top of RSI sleeve system on liner hanger to 150' inside 7" casing shoe, doped w/ BOL 2000 thread dope.

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Casing strings will be tested to .22 psi per foot of the casing string length or 1500 psi, whichever is greater but not to exceed 70% of the minimum internal yield.

Minimum casing design factors used:	Collapse:	1.125
	Burst:	1.0
	Jt. Strength:	1.60

5) PROPOSED CEMENTING PROGRAM

Note: Actual slurry and volumes may vary based on actual conditions while drilling (See Cement Program for complete details)

9-5/8" Surface Casing: Circulate hole at least 1-1/2 hole volumes of mud prior to cementing.

Pre-flush with 5 bbls H₂O + 20 bbls Mud Flush + 5 bbls H₂O. Mix & pump 195 sks 50/50 Poz w/ 1/4 #/sk Flocele and 5 #/sk Gilsonite @ 13.5 ppg; 1.81 ft³/sk yield. Displace with mud. WOC 4 hours before slacking off and minimum of 12 hours before drilling out. *Proposed Usage: 195 sacks cement.*

7" Intermediate Casing: Set DV tool at ~ 4270' MD. Start first stage from 5617' – 4270'. Second stage to be pumped from 4270' to surface. Circulate hole at least 1-1/2 hole volumes of mud.

First Stage: Pre-flush with 10 bbls water based spacer. Lead with 153 sacks HALCEM™ w/ 0.30% HR-5, 5 lbm Kol-Seal and 0.1250 lbm Poly-E-Flake @ 12.4 ppg and 1.897 yield. Calculated volume 290 ft³; 153 sacks at 100% excess. Tail in w/ 100 sks LIFECETM™ w/ 0.20% Halad®-9 and 0.1250 lbm Poly-E-Flake @ 15.8 ppg and 1.147 yield. Calculated volume 114.7 ft³; 100 sacks at 100% excess. Displace casing volume to float collar with water followed by viscous pill and mud. Drop ball to open stage tool, open stage tool and circulate while WOC 4 hours. *Proposed Usage: 153 sacks lead, 100 sacks tail cement.*

Second Stage: Pre-flush with 10 bbls water based spacer. Lead w/ 580 sks HALCEM™ w/ 5 lbm Kol-Seal and 0.1250 lbm Poly-E-Flake @ 12.4 ppg and 1.895 ft³/sk yield. Calculated volume 1102 ft³; 580 sacks at 100% excess. Tail in w/ 100 sks LIFECETM™ w/ 0.20% Halad®-9 @ 15.8 ppg and 1.147 ft³/sk yield. Calculated volume 114.7 ft³; 100 sks at 100% excess. Displace with mud. WOC 4 hours before slacking off and minimum of 18 hours before drilling out. *Proposed Usage: 580 sacks lead, 100 sacks tail cement.*

Set slips with full string weight on all cement jobs. Try to reciprocate pipe, if possible throughout all cement jobs.

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4-1/2" Production Liner:

First Stage: 10 bbl (56 cu-ft) Fr Water Spacer. *Second Stage:* 40 bbl 9.5 ppg (224.6 cu-ft) Water Based Tuned Spacer III +30.90 lbm/bbl BAROID 41. *Third Stage:* 10 bbl Fr Water Spacer. *Fourth Stage:* Lead Cement: 40 sks of ELASTISEAL + 0.2% Versaset + 0.15% Halad -766 + Halad®-344, Yield 1.43 cu ft/sk, 13.0 ppg, (40 sks/ 57.3 cu ft/ 10.2 bbls) *Fifth Stage:* Foamed Lead Cement: 200 sks ELASTISEAL™ + 0.2% Versaset + 0.15% HALAD-766 + 2.5 gal Chem-Foamer 760 + 0.20% Halad®-344, Yield 1.458 cu-ft/sk. 13.0 ppg (200 sx / 292 cu-ft. / 53.1 bbls.). *Sixth Stage:* Tail Cement : 100 sx. ELASTISEAL™ + 0.2% Versaset + 0.15% HALAD-766 + .05% SA-1015, Yield 1.292 cu ft/sk, 13.5 ppg (100 sx/ /129 cu ft. /23 bbls) *Seventh Stage:* 20 bbl Water Based MMCR Spacer + 0.5 gal/bbl Micro Matrix Retarder, 8.34 ppg Displace w/ +/- 105.5 bbl Fr Water. Total Cement (340 sx / 478.3 cu ft / 86.3 bbls). Mix Foamed Cement w/ +/- 68,590 SCF Nitrogen. Est. TOC +/- 5,360 ft. Proposed Usage: 240 sacks lead, 100 sacks tail cement.

If cement does not circulate to surface (surface and intermediate), notify BLM and NMOCD immediately and run temperature and/or CBL survey in 8 hrs. to determine TOC.

Actual volumes will be calculated and determined by conditions onsite. All cement slurries will meet or exceed minimum BLM and New Mexico Oil Conservation Division requirements. Slurries used will be the slurries listed above or equivalent slurries depending upon service provider selected. Cement yields may change depending on slurries selected.

All waiting on cement times shall be a minimum of 8 hours or adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

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6) PROPOSED DRILLING FLUIDS PROGRAM

Hole Size (in)	MD (ft)	Mud Type	Density (lb/gal)	Viscosity (sec/qt)	Fluid Loss (cc)	Other
12-1/4"	0 - 500'	Fresh water	8.4 – 8.6	60 – 70	NC	
8-3/4"	0' – 5617'	Fresh Water/LSND	8.5 – 8.8	40 - 50	6 – 8	
6-1/8"	5617' – 9863'	Oil Based Mud	7.0 – 9.0	15-25	< 1	

- a) There will be sufficient mud on location to control a blowout should one occur. Mud flow and volume will be monitored both visually with electronic pit volume totalizers. Mud test shall be performed every 24 hours after "mudding up" to determine as applicable: density, viscosity, gel strength, filtration and pH.
- b) A closed loop system will be used to recover drilling fluid and dry cuttings in both phases of the well and on all hole intervals, including fresh water and oil-based operations. Above-ground tanks will be utilized to hold cuttings and fluids for rig operations. A frac tank will be on location to store fresh water. Waste will be disposed of properly at an approved waste facility. Fresh water cuttings will be disposed either on site in a cuttings pit, lined w/ a 20 mil string re-enforced material and constructed to meet the NMOCD pit guidelines or an approved waste facility.

7 LOGGING & CORING PROGRAM:

DST: None

Coring: *None*

Cased hole logs: Possible Cement Bond Log (CBL)

Open Hole Logs: Induction/Density/Neutron in 8-3/4" vertical hole across Gallup interval

MWD/LWD with Gamma: 8-3/4" *Intermediate/Build Section (4761' – 5617') and 6-1/8" Lateral section (5,617 – 9,863)*

Mudlogs: ~ 2000' to TD (1 wet, 1 dry sample every 30'. Use 10' intervals thru shows)

8) ABNORMAL PRESSURES & HYDROGEN SULFIDE:

The anticipated bottom hole pressure is +/- 2,574 psi based on a 9.0 ppg mud at 5500' TVD of the landing point of the horizontal. No abnormal pressures or temperatures are anticipated based on historical drilling data in the immediate region. Estimated max STP w/ hole half full: 1,969 psi

No hydrogen sulfide gas is anticipated, however, if H₂S is encountered, the guidelines in Onshore Order No. 6 will be followed.

7/29/2014



9) ANTICIPATED START DATE AND DURATION OF OPERATIONS

Drilling is estimated to commence no sooner than August 1st, 2014. It is anticipated that the completion operations will begin within 30 days after the well has been drilled depending on fracture treatment schedules with various pumping service companies.

It is anticipated that the drilling of this well will take 18 days.

OTHER INFORMATION

- 1) There will not be Thru Bit logging done on this well.
- 2) If lost circulation is encountered, sufficient LCM will be added to the mud system to maintain well control. The intermediate casing string design may need to be altered to accommodate another DV tool depending on actual conditions.

Merrion Oil & Gas

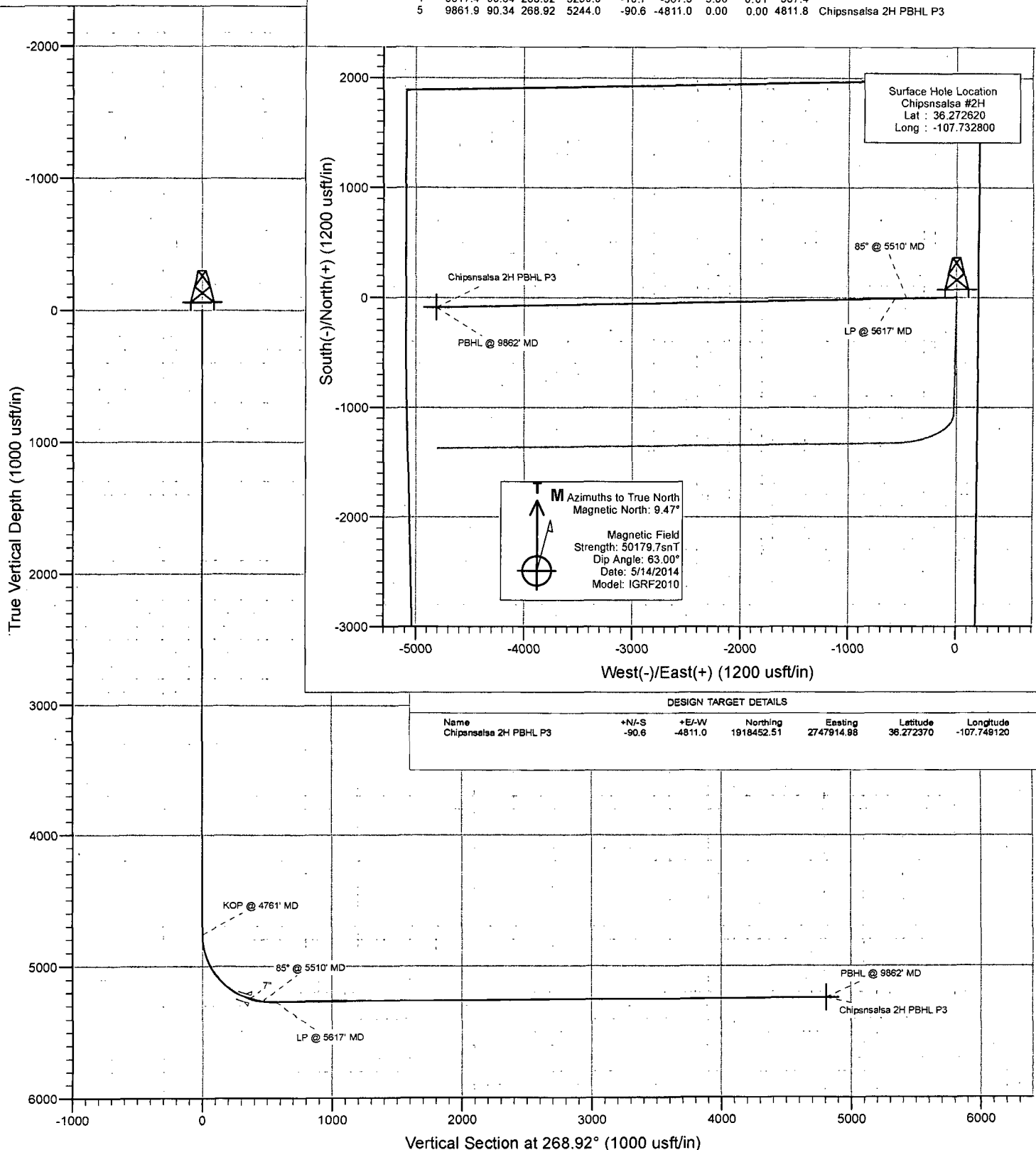
Project: San Juan County, NM
 Site: S36-T24N-R9W
 Well: Chipsnsalsa #2H
 Wellbore: HZ
 Design: Plan #3



Plan #3
 Chipsnsalsa #2H
 HZ @ 6859.0usft
 Ground Elevation @ 6839.0
 North American Datum 1983
 Well Chipsnsalsa #2H, True North

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	4761.8	0.00	0.00	4761.8	0.0	0.0	0.00	0.00	0.0	
3	5510.7	85.00	268.92	5264.7	-8.7	-460.7	11.35	268.92	460.8	
4	5617.4	90.34	268.92	5269.0	-10.7	-567.3	5.00	0.01	567.4	
5	9861.9	90.34	268.92	5244.0	-90.6	-4811.0	0.00	0.00	4811.8	Chipsnsalsa 2H PBHL P3



Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well Chipsnsalsa #2H
Company:	Merrion Oil & Gas	TVD Reference:	HZ @ 6859.0ft
Project:	Sandoval County, NM	MD Reference:	HZ @ 6859.0ft
Site:	S36-T24N-R9W	North Reference:	True
Well:	Chipsnsalsa #2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	HZ		
Design:	Plan #3		

Project	Sandoval County, NM		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Central Zone		

Site						S36-T24N-R9W											
Site Position:			Northing:			1,917,211.45ft			Latitude:			36.210149					
From:			Map			Easting:			2,747,901.62ft			Longitude:			-102.496595		
Position Uncertainty:			0.0 ft			Slot Radius:			13.200in			Grid Convergence:			2.22 °		

Well	Chipsnsalsa #2H					
Well Position	+N/-S	0.0 ft	Northing:	1,921,851.18 ft	Latitude:	36.272620
	+E/-W	0.0 ft	Easting:	1,203,332.58 ft	Longitude:	-107.732800
Position Uncertainty		0.0 ft	Wellhead Elevation:	0.0 ft	Ground Level:	6,839.0 ft

Wellbore	HZ				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	5/14/2014	9.47	63.00	50,180

Design		Plan #3		
Audit Notes:				
Version:		Phase:	PLAN	Tie On Depth: 0.0
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	268.92

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
4,761.8	0.00	0.00	4,761.8	0.0	0.0	0.00	0.00	0.00	0.00	
5,510.7	85.00	268.92	5,264.7	-8.7	-460.7	11.35	11.35	0.00	268.92	
5,617.5	90.34	268.92	5,269.0	-10.7	-567.3	5.00	5.00	0.00	0.01	
9,862.5	90.34	268.92	5,244.0	-90.6	-4,811.6	0.00	0.00	0.00	0.00	Chipsnsalsa 2H PBHL

Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well Chipsnsalsa #2H
Company:	Merrion Oil & Gas	TVD Reference:	HZ @ 6859.0ft
Project:	Sandoval County, NM	MD Reference:	HZ @ 6859.0ft
Site:	S36-T24N-R9W	North Reference:	True
Well:	Chipsnsalsa #2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	HZ		
Design:	Plan #3		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	
4,761.8	0.00	0.00	4,761.8	0.0	0.0	0.0	0.00	0.00	KOP @ 4761' MD
4,800.0	4.34	268.92	4,800.0	0.0	-1.4	1.4	11.35	11.35	
4,850.0	10.01	268.92	4,849.6	-0.1	-7.7	7.7	11.35	11.35	
4,900.0	15.69	268.92	4,898.3	-0.4	-18.8	18.8	11.35	11.35	

Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well Chipsnsalsa #2H
Company:	Merrion Oil & Gas	TVD Reference:	HZ @ 6859.0ft
Project:	Sandoval County, NM	MD Reference:	HZ @ 6859.0ft
Site:	S36-T24N-R9W	North Reference:	True
Well:	Chipsnsalsa #2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	HZ		
Design:	Plan #3		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
4,950.0	21.36	268.92	4,945.7	-0.7	-34.7	34.7	11.35	11.35	
5,000.0	27.04	268.92	4,991.3	-1.0	-55.2	55.2	11.35	11.35	
5,050.0	32.71	268.92	5,034.6	-1.5	-80.0	80.1	11.35	11.35	
5,100.0	38.39	268.92	5,075.3	-2.1	-109.1	109.1	11.35	11.35	
5,150.0	44.06	268.92	5,112.9	-2.7	-142.0	142.1	11.35	11.35	
5,200.0	49.74	268.92	5,147.0	-3.4	-178.5	178.5	11.35	11.35	
5,250.0	55.41	268.92	5,177.4	-4.1	-218.2	218.2	11.35	11.35	
5,300.0	61.09	268.92	5,203.7	-4.9	-260.7	260.7	11.35	11.35	
5,350.0	66.76	268.92	5,225.7	-5.8	-305.6	305.6	11.35	11.35	
5,400.0	72.44	268.92	5,243.1	-6.6	-352.4	352.5	11.35	11.35	
5,411.7	73.76	268.92	5,246.5	-6.9	-363.6	363.7	11.35	11.35	7"
5,450.0	78.11	268.92	5,255.8	-7.6	-400.7	400.8	11.35	11.35	
5,500.0	83.79	268.92	5,263.6	-8.5	-450.1	450.2	11.35	11.35	
5,510.7	85.00	268.92	5,264.7	-8.7	-460.7	460.8	11.35	11.35	85° @ 5510' MD
5,600.0	89.47	268.92	5,269.0	-10.4	-549.9	550.0	5.00	5.00	
5,617.5	90.34	268.92	5,269.0	-10.7	-567.3	567.4	5.00	5.00	LP @ 5617' MD
5,700.0	90.34	268.92	5,268.5	-12.2	-649.9	650.0	0.00	0.00	
5,800.0	90.34	268.92	5,268.0	-14.1	-749.8	750.0	0.00	0.00	
5,900.0	90.34	268.92	5,267.4	-16.0	-849.8	850.0	0.00	0.00	
6,000.0	90.34	268.92	5,266.8	-17.9	-949.8	950.0	0.00	0.00	
6,100.0	90.34	268.92	5,266.2	-19.8	-1,049.8	1,050.0	0.00	0.00	
6,200.0	90.34	268.92	5,265.6	-21.7	-1,149.8	1,150.0	0.00	0.00	
6,300.0	90.34	268.92	5,265.0	-23.5	-1,249.8	1,250.0	0.00	0.00	
6,400.0	90.34	268.92	5,264.4	-25.4	-1,349.7	1,350.0	0.00	0.00	
6,500.0	90.34	268.92	5,263.8	-27.3	-1,449.7	1,450.0	0.00	0.00	
6,600.0	90.34	268.92	5,263.2	-29.2	-1,549.7	1,550.0	0.00	0.00	
6,700.0	90.34	268.92	5,262.6	-31.1	-1,649.7	1,650.0	0.00	0.00	
6,800.0	90.34	268.92	5,262.1	-33.0	-1,749.7	1,750.0	0.00	0.00	
6,900.0	90.34	268.92	5,261.5	-34.8	-1,849.6	1,850.0	0.00	0.00	
7,000.0	90.34	268.92	5,260.9	-36.7	-1,949.6	1,950.0	0.00	0.00	
7,100.0	90.34	268.92	5,260.3	-38.6	-2,049.6	2,050.0	0.00	0.00	
7,200.0	90.34	268.92	5,259.7	-40.5	-2,149.6	2,150.0	0.00	0.00	
7,300.0	90.34	268.92	5,259.1	-42.4	-2,249.6	2,250.0	0.00	0.00	
7,400.0	90.34	268.92	5,258.5	-44.3	-2,349.5	2,350.0	0.00	0.00	
7,500.0	90.34	268.92	5,257.9	-46.1	-2,449.5	2,450.0	0.00	0.00	
7,600.0	90.34	268.92	5,257.3	-48.0	-2,549.5	2,550.0	0.00	0.00	
7,700.0	90.34	268.92	5,256.7	-49.9	-2,649.5	2,649.9	0.00	0.00	
7,800.0	90.34	268.92	5,256.2	-51.8	-2,749.5	2,749.9	0.00	0.00	
7,900.0	90.34	268.92	5,255.6	-53.7	-2,849.4	2,849.9	0.00	0.00	
8,000.0	90.34	268.92	5,255.0	-55.6	-2,949.4	2,949.9	0.00	0.00	
8,100.0	90.34	268.92	5,254.4	-57.4	-3,049.4	3,049.9	0.00	0.00	
8,200.0	90.34	268.92	5,253.8	-59.3	-3,149.4	3,149.9	0.00	0.00	
8,300.0	90.34	268.92	5,253.2	-61.2	-3,249.4	3,249.9	0.00	0.00	
8,400.0	90.34	268.92	5,252.6	-63.1	-3,349.3	3,349.9	0.00	0.00	
8,500.0	90.34	268.92	5,252.0	-65.0	-3,449.3	3,449.9	0.00	0.00	
8,600.0	90.34	268.92	5,251.4	-66.9	-3,549.3	3,549.9	0.00	0.00	
8,700.0	90.34	268.92	5,250.9	-68.7	-3,649.3	3,649.9	0.00	0.00	
8,800.0	90.34	268.92	5,250.3	-70.6	-3,749.3	3,749.9	0.00	0.00	
8,900.0	90.34	268.92	5,249.7	-72.5	-3,849.2	3,849.9	0.00	0.00	
9,000.0	90.34	268.92	5,249.1	-74.4	-3,949.2	3,949.9	0.00	0.00	
9,100.0	90.34	268.92	5,248.5	-76.3	-4,049.2	4,049.9	0.00	0.00	
9,200.0	90.34	268.92	5,247.9	-78.1	-4,149.2	4,149.9	0.00	0.00	

Planning Report

Database:	USA EDM 5000 Multi Users DB	Local Co-ordinate Reference:	Well Chipsnsalsa #2H
Company:	Merrion Oil & Gas	TVD Reference:	HZ @ 6859.0ft
Project:	Sandoval County, NM	MD Reference:	HZ @ 6859.0ft
Site:	S36-T24N-R9W	North Reference:	True
Well:	Chipsnsalsa #2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	HZ		
Design:	Plan #3		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Comments / Formations
9,300.0	90.34	268.92	5,247.3	-80.0	-4,249.2	4,249.9	0.00	0.00	
9,400.0	90.34	268.92	5,246.7	-81.9	-4,349.1	4,349.9	0.00	0.00	
9,500.0	90.34	268.92	5,246.1	-83.8	-4,449.1	4,449.9	0.00	0.00	
9,600.0	90.34	268.92	5,245.5	-85.7	-4,549.1	4,549.9	0.00	0.00	
9,700.0	90.34	268.92	5,245.0	-87.6	-4,649.1	4,649.9	0.00	0.00	
9,800.0	90.34	268.92	5,244.4	-89.4	-4,749.1	4,749.9	0.00	0.00	
9,862.5	90.34	268.92	5,244.0	-90.6	-4,811.6	4,812.4	0.00	0.00	PBHL @ 9862' MD

Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
- hit/miss target									
- Shape									
Chipsnsalsa 2H POE	0.00	0.00	5,165.7	-7.3	-459.9	1,921,850.94	1,202,872.59	36.272600	-107.734360
- plan misses target center by 98.5ft at 5494.3ft MD (5263.0 TVD, -8.4 N, -444.4 E)									
- Point									
Chipsnsalsa 2H PBHL	0.00	0.00	5,170.0	-90.6	-4,811.6	1,921,834.25	1,198,520.17	36.272370	-107.749120
- plan misses target center by 74.0ft at 9862.5ft MD (5244.0 TVD, -90.6 N, -4811.6 E)									
- Point									
Chipsnsalsa 2H PBHL P	0.00	0.00	5,244.0	-90.6	-4,811.6	1,921,834.25	1,198,520.17	36.272370	-107.749120
- plan hits target center									
- Point									

Casing Points				
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
5,411.7	5,246.5	7"	7.000	7.500

Plan Annotations				
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	+E/-W (ft)	Comment
4,761.8	4,761.8	0.0	0.0	KOP @ 4761' MD
5,510.7	5,264.7	-8.7	-460.7	85° @ 5510' MD
5,617.5	5,269.0	-10.7	-567.3	LP @ 5617' MD
9,862.5	5,244.0	-90.6	-4,811.6	PBHL @ 9862' MD

Merrion Oil & Gas

San Juan County, NM

S36-T24N-R9W

Chipsnsalsa #2H

HZ

Plan #3

Anticollision Report

21 July, 2014

Anticollision Report

Company:	Merrion Oil & Gas	Local Co-ordinate Reference:	Well Chipsnsalsa #2H
Project:	San Juan County, NM	TVD Reference:	HZ @ 6859.0usft
Reference Site:	S36-T24N-R9W	MD Reference:	HZ @ 6859.0usft
Site Error:	0.0usft	North Reference:	True
Reference Well:	Chipsnsalsa #2H	Survey Calculation Method:	Minimum Curvature
Well Error:	0.0usft	Output errors are at	2.00 sigma
Reference Wellbore	HZ	Database:	USA EDM 5000 Multi Users DB
Reference Design:	Plan #3	Offset TVD Reference:	Offset Datum

Reference	Plan #3		
Filter type:	NO GLOBAL FILTER: Using user defined selection & filtering criteria		
Interpolation Method:	Stations	Error Model:	ISCWSA
Depth Range:	Unlimited	Scan Method:	Closest Approach 3D
Results Limited by:	Maximum center-center distance of 1,550.0usft	Error Surface:	Elliptical Conic
Warning Levels Evaluated at:	2.00 Sigma		

Survey Tool Program	Date	7/21/2014		
From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description
0.0	9,861.9	Plan #3 (HZ)	MWD	Geolink MWD

Summary						
Site Name	Reference Measured Depth (usft)	Offset Measured Depth (usft)	Distance Between Centres (usft)	Distance Between Ellipses (usft)	Separation Factor	Warning
Offset Well - Wellbore - Design						
S36-T24N-R9W						
Chimichanga 3H - Hz - Plan #2	2,400.0	2,477.0	18.2	9.8	2.154	CC, ES, SF

Anticollision Report

Company:	Merrion Oil & Gas	Local Co-ordinate Reference:	Well Chipsnsalsa #2H
Project:	San Juan County, NM	TVD Reference:	HZ @ 6859.0usft
Reference Site:	S36-T24N-R9W	MD Reference:	HZ @ 6859.0usft
Site Error:	0.0usft	North Reference:	True
Reference Well:	Chipsnsalsa #2H	Survey Calculation Method:	Minimum Curvature
Well Error:	0.0usft	Output errors are at	2.00 sigma
Reference Wellbore	HZ	Database:	USA EDM 5000 Multi Users DB
Reference Design:	Plan #3	Offset TVD Reference:	Offset Datum

Offset Design S36-T24N-R9W - Chimichanga 3H - Hz - Plan #2												Offset Site Error: 0.0 usft		
Survey Program: 0-MWD												Offset Well Error: 0.0 usft		
Reference		Offset		Semi Major Axis				Distance				Warning		
Measured Depth (usft)	Vertical Depth (usft)	Measured Depth (usft)	Vertical Depth (usft)	Reference (usft)	Offset (usft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (usft)	+E/-W (usft)	Between Centres (usft)	Between Ellipses (usft)	Total Uncertainty Axis		Separation Factor	
0.0	0.0	77.0	77.0	0.0	0.1	-180.00	-18.2	0.0	18.2					
100.0	100.0	177.0	177.0	0.1	0.3	-180.00	-18.2	0.0	18.2	17.8	0.42	43.275		
200.0	200.0	277.0	277.0	0.3	0.5	-180.00	-18.2	0.0	18.2	17.4	0.77	23.649		
300.0	300.0	377.0	377.0	0.5	0.6	-180.00	-18.2	0.0	18.2	17.1	1.12	16.271		
400.0	400.0	477.0	477.0	0.7	0.8	-180.00	-18.2	0.0	18.2	16.7	1.47	12.401		
500.0	500.0	577.0	577.0	0.8	1.0	-180.00	-18.2	0.0	18.2	16.4	1.82	10.019		
600.0	600.0	677.0	677.0	1.0	1.2	-180.00	-18.2	0.0	18.2	16.0	2.17	8.404		
700.0	700.0	777.0	777.0	1.2	1.3	-180.00	-18.2	0.0	18.2	15.7	2.52	7.238		
800.0	800.0	877.0	877.0	1.4	1.5	-180.00	-18.2	0.0	18.2	15.3	2.86	6.356		
900.0	900.0	977.0	977.0	1.5	1.7	-180.00	-18.2	0.0	18.2	15.0	3.21	5.665		
1,000.0	1,000.0	1,077.0	1,077.0	1.7	1.9	-180.00	-18.2	0.0	18.2	14.6	3.56	5.110		
1,100.0	1,100.0	1,177.0	1,177.0	1.9	2.0	-180.00	-18.2	0.0	18.2	14.3	3.91	4.654		
1,200.0	1,200.0	1,277.0	1,277.0	2.1	2.2	-180.00	-18.2	0.0	18.2	13.9	4.26	4.273		
1,300.0	1,300.0	1,377.0	1,377.0	2.2	2.4	-180.00	-18.2	0.0	18.2	13.6	4.61	3.949		
1,400.0	1,400.0	1,477.0	1,477.0	2.4	2.5	-180.00	-18.2	0.0	18.2	13.2	4.96	3.671		
1,500.0	1,500.0	1,577.0	1,577.0	2.6	2.7	-180.00	-18.2	0.0	18.2	12.9	5.31	3.430		
1,600.0	1,600.0	1,677.0	1,677.0	2.8	2.9	-180.00	-18.2	0.0	18.2	12.5	5.66	3.218		
1,700.0	1,700.0	1,777.0	1,777.0	2.9	3.1	-180.00	-18.2	0.0	18.2	12.2	6.01	3.031		
1,800.0	1,800.0	1,877.0	1,877.0	3.1	3.2	-180.00	-18.2	0.0	18.2	11.8	6.35	2.864		
1,900.0	1,900.0	1,977.0	1,977.0	3.3	3.4	-180.00	-18.2	0.0	18.2	11.5	6.70	2.715		
2,000.0	2,000.0	2,077.0	2,077.0	3.5	3.6	-180.00	-18.2	0.0	18.2	11.1	7.05	2.581		
2,100.0	2,100.0	2,177.0	2,177.0	3.6	3.8	-180.00	-18.2	0.0	18.2	10.8	7.40	2.459		
2,200.0	2,200.0	2,277.0	2,277.0	3.8	3.9	-180.00	-18.2	0.0	18.2	10.5	7.75	2.348		
2,300.0	2,300.0	2,377.0	2,377.0	4.0	4.1	-180.00	-18.2	0.0	18.2	10.1	8.10	2.247		
2,400.0	2,400.0	2,477.0	2,477.0	4.2	4.3	-180.00	-18.2	0.0	18.2	9.8	8.45	2.154 CC, ES, SF		
2,500.0	2,500.0	2,574.2	2,574.0	4.3	4.5	-179.69	-23.0	-0.1	23.2	14.4	8.80	2.637		
2,600.0	2,600.0	2,666.7	2,664.3	4.5	4.7	-179.15	-42.3	-0.6	44.1	35.0	9.16	4.815		
2,700.0	2,700.0	2,750.0	2,742.1	4.7	4.9	-178.88	-71.9	-1.4	79.9	70.3	9.58	8.340		
2,800.0	2,800.0	2,837.0	2,819.7	4.9	5.3	-178.75	-111.3	-2.4	125.2	115.1	10.11	12.383		
2,900.0	2,900.0	2,925.9	2,898.7	5.0	5.7	-178.68	-152.0	-3.5	171.0	160.3	10.71	15.970		
3,000.0	3,000.0	3,014.8	2,977.8	5.2	6.2	-178.64	-192.6	-4.6	216.7	205.4	11.36	19.082		
3,100.0	3,100.0	3,103.7	3,056.9	5.4	6.7	-178.62	-233.3	-5.6	262.5	250.4	12.06	21.774		
3,200.0	3,200.0	3,192.7	3,135.9	5.6	7.2	-178.60	-274.0	-6.7	308.3	295.5	12.79	24.100		
3,300.0	3,300.0	3,281.6	3,215.0	5.7	7.8	-178.59	-314.7	-7.7	354.0	340.5	13.56	26.119		
3,400.0	3,400.0	3,370.5	3,294.0	5.9	8.4	-178.58	-355.4	-8.8	399.8	385.5	14.34	27.881		
3,500.0	3,500.0	3,459.4	3,373.1	6.1	9.1	-178.57	-396.0	-9.9	445.6	430.4	15.14	29.428		
3,600.0	3,600.0	3,548.3	3,452.1	6.2	9.7	-178.57	-436.7	-10.9	491.4	475.4	15.96	30.793		
3,700.0	3,700.0	3,637.2	3,531.2	6.4	10.4	-178.56	-477.4	-12.0	537.1	520.3	16.78	32.004		
3,800.0	3,800.0	3,726.1	3,610.2	6.6	11.0	-178.56	-518.1	-13.1	582.9	565.3	17.62	33.084		
3,900.0	3,900.0	3,815.0	3,689.3	6.8	11.7	-178.55	-558.8	-14.1	628.7	610.2	18.48	34.051		
4,000.0	4,000.0	3,903.9	3,768.3	6.9	12.4	-178.55	-599.4	-15.2	674.4	655.1	19.31	34.922		
4,100.0	4,100.0	3,992.9	3,847.4	7.1	13.0	-178.55	-640.1	-16.3	720.2	700.0	20.17	35.709		
4,200.0	4,200.0	4,081.8	3,926.4	7.3	13.7	-178.54	-680.8	-17.3	766.0	744.9	21.03	36.424		
4,300.0	4,300.0	4,170.7	4,005.5	7.5	14.4	-178.54	-721.5	-18.4	811.7	789.8	21.89	37.076		
4,400.0	4,400.0	4,259.6	4,084.5	7.6	15.1	-178.54	-762.2	-19.4	857.5	834.7	22.76	37.673		
4,500.0	4,500.0	4,348.5	4,163.6	7.8	15.8	-178.54	-802.9	-20.5	903.3	879.6	23.63	38.221		
4,600.0	4,600.0	4,437.4	4,242.6	8.0	16.5	-178.54	-843.5	-21.6	949.0	924.5	24.51	38.726		
4,700.0	4,700.0	4,526.3	4,321.7	8.2	17.2	-178.53	-884.2	-22.6	994.8	969.4	25.38	39.193		
4,761.8	4,761.8	4,581.3	4,370.5	8.3	17.7	-178.53	-909.3	-23.3	1,023.1	997.2	25.92	39.464		
4,800.0	4,800.0	4,615.2	4,400.7	8.3	17.9	-85.33	-924.9	-23.7	1,040.5	1,024.2	16.33	63.735		
4,850.0	4,849.6	4,659.4	4,440.0	8.4	18.3	-82.85	-945.1	-24.2	1,063.0	1,046.4	16.58	64.100		
4,900.0	4,898.3	4,703.0	4,478.8	8.5	18.6	-80.73	-965.0	-24.7	1,085.0	1,068.1	16.88	64.286		

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

Anticollision Report

Company:	Merrion Oil & Gas	Local Co-ordinate Reference:	Well Chipsnsalsa #2H
Project:	San Juan County, NM	TVD Reference:	HZ @ 6859.0usft
Reference Site:	S36-T24N-R9W	MD Reference:	HZ @ 6859.0usft
Site Error:	0.0usft	North Reference:	True
Reference Well:	Chipsnsalsa #2H	Survey Calculation Method:	Minimum Curvature
Well Error:	0.0usft	Output errors are at	2.00 sigma
Reference Wellbore	HZ	Database:	USA EDM 5000 Multi Users DB
Reference Design:	Plan #3	Offset TVD Reference:	Offset Datum

Offset Design S36-T24N-R9W - Chimichanga 3H - Hz - Plan #2													Offset Site Error:	0.0 usft
Survey Program: 0-MWD													Offset Well Error:	0.0 usft
Reference		Offset		Semi Major Axis		Distance		Total		Separation		Warning		
Measured Depth (usft)	Vertical Depth (usft)	Measured Depth (usft)	Vertical Depth (usft)	Reference (usft)	Offset (usft)	Highside Toolface (°)	Offset Wellbore Centre +N/-S (usft)	+E/-W (usft)	Between Centres (usft)	Between Ellipses (usft)	Uncertainty Axis	Factor		
4,950.0	4,945.7	4,745.5	4,516.5	8.6	19.0	-78.91	-984.5	-25.3	1,106.4	1,089.2	17.18	64.396		
5,000.0	4,991.3	4,786.4	4,552.9	8.8	19.3	-77.36	-1,003.2	-25.7	1,127.3	1,109.8	17.48	64.488		
5,050.0	5,034.6	4,825.5	4,587.6	9.0	19.6	-76.02	-1,021.1	-26.2	1,147.6	1,129.8	17.77	64.573		
5,100.0	5,075.3	4,862.2	4,620.3	9.2	19.9	-74.84	-1,037.9	-26.6	1,167.4	1,149.3	18.06	64.627		
5,150.0	5,112.9	4,896.3	4,650.6	9.5	20.2	-73.76	-1,053.5	-27.1	1,186.7	1,168.3	18.37	64.605		
5,200.0	5,147.0	4,930.7	4,681.3	9.9	20.4	-72.86	-1,069.3	-27.6	1,205.6	1,186.9	18.70	64.465		
5,250.0	5,177.4	4,972.4	4,718.2	10.3	20.8	-72.32	-1,088.3	-30.6	1,224.0	1,204.9	19.08	64.136		
5,300.0	5,203.7	5,017.6	4,757.9	10.9	21.1	-72.01	-1,108.8	-37.3	1,241.7	1,222.1	19.55	63.509		
5,350.0	5,225.6	5,067.9	4,801.4	11.6	21.5	-71.98	-1,131.3	-48.8	1,258.6	1,238.4	20.14	62.482		
5,400.0	5,243.1	5,125.5	4,849.8	12.4	22.0	-72.29	-1,156.4	-67.2	1,274.5	1,253.6	20.91	60.942		
5,450.0	5,255.8	5,193.9	4,904.8	13.2	22.5	-73.05	-1,185.0	-96.0	1,289.3	1,267.4	21.94	58.773		
5,500.0	5,263.6	5,278.9	4,968.2	14.2	23.2	-74.40	-1,218.1	-141.8	1,302.7	1,279.3	23.35	55.792		
5,510.7	5,264.7	5,300.0	4,983.0	14.4	23.4	-74.78	-1,225.8	-154.8	1,305.3	1,281.6	23.71	55.051		
5,600.0	5,269.0	5,349.2	5,119.1	16.2	25.4	-80.11	-1,298.0	-348.1	1,322.9	1,294.5	28.42	46.551		
5,617.4	5,269.0	5,616.1	5,141.9	16.5	26.0	-81.06	-1,310.4	-409.8	1,325.0	1,295.1	29.91	44.299		
5,700.0	5,268.5	5,845.7	5,170.0	18.3	28.3	-82.40	-1,327.3	-635.6	1,326.8	1,290.6	36.14	36.711		
5,800.0	5,267.9	5,945.7	5,170.0	20.5	29.5	-82.42	-1,328.4	-735.6	1,325.9	1,285.4	40.45	32.776		
5,900.0	5,267.4	6,045.7	5,170.0	22.7	30.8	-82.44	-1,329.4	-835.6	1,325.0	1,280.1	44.89	29.520		
6,000.0	5,266.8	6,145.7	5,170.0	25.0	32.3	-82.46	-1,330.5	-935.6	1,324.1	1,274.7	49.41	26.800		
6,100.0	5,266.2	6,245.7	5,170.0	27.4	33.9	-82.48	-1,331.6	-1,035.6	1,323.3	1,269.3	54.00	24.505		
6,200.0	5,265.6	6,345.7	5,170.0	29.7	35.6	-82.50	-1,332.7	-1,135.6	1,322.4	1,263.8	58.64	22.550		
6,300.0	5,265.0	6,445.7	5,170.0	32.1	37.5	-82.52	-1,333.8	-1,235.6	1,321.5	1,258.2	63.33	20.868		
6,400.0	5,264.4	6,545.7	5,170.0	34.5	39.4	-82.54	-1,334.8	-1,335.6	1,320.7	1,252.6	68.04	19.409		
6,500.0	5,263.8	6,645.7	5,170.0	36.9	41.4	-82.57	-1,335.9	-1,435.6	1,319.8	1,247.0	72.79	18.133		
6,600.0	5,263.2	6,745.6	5,170.0	39.3	43.4	-82.59	-1,337.0	-1,535.6	1,318.9	1,241.4	77.55	17.008		
6,700.0	5,262.6	6,845.6	5,170.0	41.7	45.5	-82.61	-1,338.1	-1,635.5	1,318.1	1,235.7	82.33	16.009		
6,800.0	5,262.0	6,945.6	5,170.0	44.1	47.6	-82.63	-1,339.2	-1,735.5	1,317.2	1,230.1	87.13	15.118		
6,900.0	5,261.5	7,045.6	5,170.0	46.5	49.8	-82.65	-1,340.3	-1,835.5	1,316.3	1,224.4	91.94	14.318		
7,000.0	5,260.9	7,145.6	5,170.0	49.0	52.0	-82.67	-1,341.3	-1,935.5	1,315.4	1,218.7	96.75	13.596		
7,100.0	5,260.3	7,245.6	5,170.0	51.4	54.3	-82.69	-1,342.4	-2,035.5	1,314.6	1,213.0	101.58	12.941		
7,200.0	5,259.7	7,345.6	5,170.0	53.8	56.5	-82.71	-1,343.5	-2,135.5	1,313.7	1,207.3	106.42	12.344		
7,300.0	5,259.1	7,445.6	5,170.0	56.3	58.8	-82.73	-1,344.6	-2,235.5	1,312.8	1,201.6	111.26	11.799		
7,400.0	5,258.5	7,545.6	5,170.0	58.7	61.1	-82.75	-1,345.7	-2,335.5	1,312.0	1,195.9	116.12	11.299		
7,500.0	5,257.9	7,645.6	5,170.0	61.2	63.4	-82.78	-1,346.7	-2,435.5	1,311.1	1,190.1	120.97	10.838		
7,600.0	5,257.3	7,745.6	5,170.0	63.6	65.7	-82.80	-1,347.8	-2,535.4	1,310.2	1,184.4	125.83	10.413		
7,700.0	5,256.7	7,845.6	5,170.0	66.1	68.1	-82.82	-1,348.9	-2,635.4	1,309.4	1,178.7	130.70	10.018		
7,800.0	5,256.1	7,945.6	5,170.0	68.5	70.4	-82.84	-1,350.0	-2,735.4	1,308.5	1,172.9	135.57	9.652		
7,900.0	5,255.6	8,045.6	5,170.0	71.0	72.8	-82.86	-1,351.1	-2,835.4	1,307.6	1,167.2	140.44	9.311		
8,000.0	5,255.0	8,145.6	5,170.0	73.4	75.2	-82.88	-1,352.2	-2,935.4	1,306.8	1,161.4	145.32	8.992		
8,100.0	5,254.4	8,245.6	5,170.0	75.9	77.5	-82.90	-1,353.2	-3,035.4	1,305.9	1,155.7	150.20	8.695		
8,200.0	5,253.8	8,345.6	5,170.0	78.3	79.9	-82.92	-1,354.3	-3,135.4	1,305.0	1,149.9	155.08	8.415		
8,300.0	5,253.2	8,445.6	5,170.0	80.8	82.3	-82.95	-1,355.4	-3,235.4	1,304.2	1,144.2	159.96	8.153		
8,400.0	5,252.6	8,545.6	5,170.0	83.3	84.7	-82.97	-1,356.5	-3,335.4	1,303.3	1,138.4	164.85	7.906		
8,500.0	5,252.0	8,645.6	5,170.0	85.7	87.1	-82.99	-1,357.6	-3,435.3	1,302.4	1,132.7	169.74	7.673		
8,600.0	5,251.4	8,745.5	5,170.0	88.2	89.5	-83.01	-1,358.6	-3,535.3	1,301.6	1,126.9	174.63	7.453		
8,700.0	5,250.8	8,845.5	5,170.0	90.6	91.9	-83.03	-1,359.7	-3,635.3	1,300.7	1,121.2	179.53	7.245		
8,800.0	5,250.3	8,945.5	5,170.0	93.1	94.3	-83.05	-1,360.8	-3,735.3	1,299.8	1,115.4	184.42	7.048		
8,900.0	5,249.7	9,045.5	5,170.0	95.6	96.7	-83.08	-1,361.9	-3,835.3	1,299.0	1,109.6	189.32	6.861		
9,000.0	5,249.1	9,145.5	5,170.0	98.0	99.1	-83.10	-1,363.0	-3,935.3	1,298.1	1,103.9	194.22	6.684		
9,100.0	5,248.5	9,245.5	5,170.0	100.5	101.5	-83.12	-1,364.1	-4,035.3	1,297.2	1,098.1	199.12	6.515		
9,200.0	5,247.9	9,345.5	5,170.0	103.0	104.0	-83.14	-1,365.1	-4,135.3	1,296.4	1,092.3	204.02	6.354		
9,300.0	5,247.3	9,445.5	5,170.0	105.4	106.4	-83.16	-1,366.2	-4,235.3	1,295.5	1,086.6	208.92	6.201		

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

Anticollision Report

Company:	Merrion Oil & Gas	Local Co-ordinate Reference:	Well Chipsnsalsa #2H
Project:	San Juan County, NM	TVD Reference:	HZ @ 6859.0usft
Reference Site:	S36-T24N-R9W	MD Reference:	HZ @ 6859.0usft
Site Error:	0.0usft	North Reference:	True
Reference Well:	Chipsnsalsa #2H	Survey Calculation Method:	Minimum Curvature
Well Error:	0.0usft	Output errors are at	2.00 sigma
Reference Wellbore	HZ	Database:	USA EDM 5000 Multi Users DB
Reference Design:	Plan #3	Offset TVD Reference:	Offset Datum

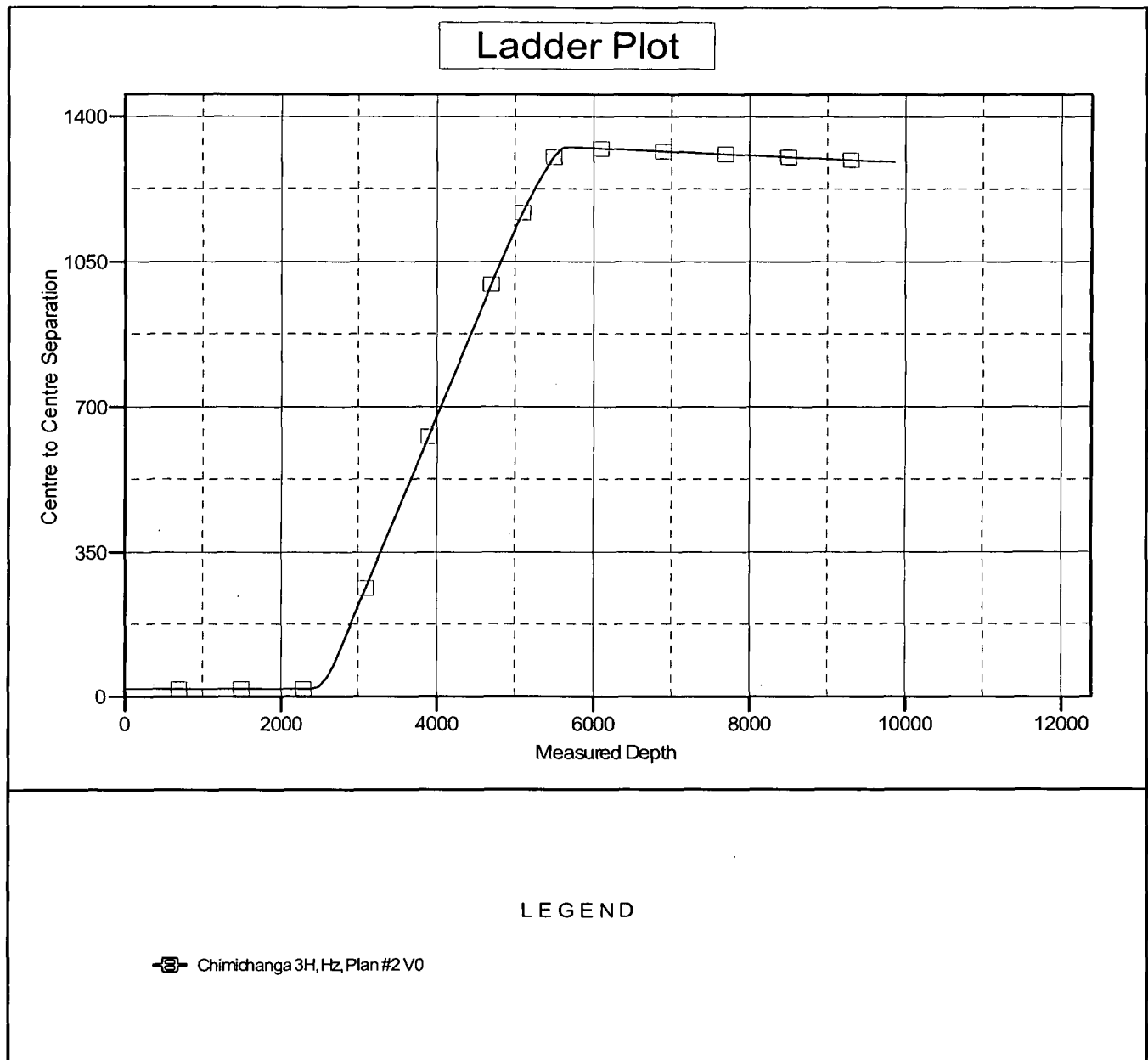
Offset Design S36-T24N-R9W - Chimichanga 3H - Hz - Plan #2												Offset Site Error:	0.0 usft
Survey Program: 0-MWD												Offset Well Error:	0.0 usft
Reference		Offset		Semi Major Axis		Distance		Warning					
Measured Depth	Vertical Depth	Measured Depth	Vertical Depth	Reference	Offset	Highside Toolface	Offset Wellbore Centre	Between Centres	Between Ellipses	Total Uncertainty	Separation Factor		
(usft)	(usft)	(usft)	(usft)	(usft)	(usft)	(°)	+N/-S (usft)	+E/-W (usft)	(usft)	(usft)	Axis		
9,400.0	5,246.7	9,545.5	5,170.0	107.9	108.8	-83.18	-1,367.3	-4,335.2	1,294.6	1,080.8	213.83	6.055	
9,500.0	5,246.1	9,645.5	5,170.0	110.4	111.2	-83.20	-1,368.4	-4,435.2	1,293.8	1,075.0	218.73	5.915	
9,600.0	5,245.5	9,745.5	5,170.0	112.8	113.7	-83.23	-1,369.5	-4,535.2	1,292.9	1,069.3	223.64	5.781	
9,700.0	5,244.9	9,845.5	5,170.0	115.3	116.1	-83.25	-1,370.6	-4,635.2	1,292.0	1,063.5	228.55	5.653	
9,800.0	5,244.4	9,945.5	5,170.0	117.8	118.5	-83.27	-1,371.6	-4,735.2	1,291.2	1,057.7	233.46	5.531	
9,861.9	5,244.0	10,007.4	5,170.0	119.3	120.0	-83.28	-1,372.3	-4,797.1	1,290.6	1,054.1	236.50	5.457	

Anticollision Report

Company:	Merrion Oil & Gas	Local Co-ordinate Reference:	Well Chipsnsalsa #2H
Project:	San Juan County, NM	TVD Reference:	HZ @ 6859.0usft
Reference Site:	S36-T24N-R9W	MD Reference:	HZ @ 6859.0usft
Site Error:	0.0usft	North Reference:	True
Reference Well:	Chipsnsalsa #2H	Survey Calculation Method:	Minimum Curvature
Well Error:	0.0usft	Output errors are at	2.00 sigma
Reference Wellbore	HZ	Database:	USA EDM 5000 Multi Users DB
Reference Design:	Plan #3	Offset TVD Reference:	Offset Datum

Reference Depths are relative to HZ @ 6859.0usft
 Offset Depths are relative to Offset Datum
 Central Meridian is -107.833333 °

Coordinates are relative to: Chipsnsalsa #2H
 Coordinate System is US State Plane 1983, New Mexico Western Zone
 Grid Convergence at Surface is: 0.06°



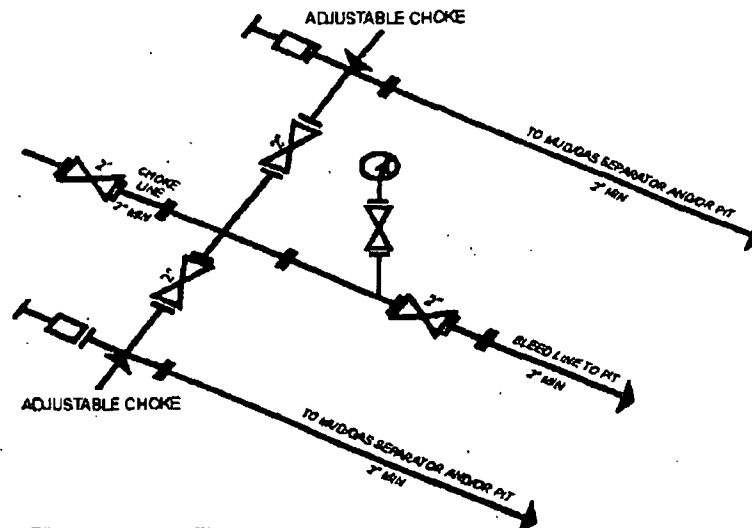
Directions from the Intersection of US Hwy 550 & US Hwy 64
in Bloomfield, NM to Merrion Oil & Gas Corporation Chipsnsalsa #2H
1980' FNL & 200' FEL, Section 36, T24N, R9W, N.M.P.M., San Juan County, NM

Latitude: 36.27262°N Longitude: 107.73280°W Datum: NAD1983

From the intersection of US Hwy 550 & US Hwy 64 in Bloomfield, NM, travel Southerly on US Hwy 550 for 36.1 miles to Mile Marker 115.5 to an existing highway access approach with gate on left-hand side from which new access continues for 3614' to staked Merrion Chipsnsalsa #2H location.



MERRION
OIL & GAS



7/29/2014



WELLHEAD BLOWOUT CONTROL SYSTEM

