

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Sundry Notices and Reports on Wells

1. Type of Well:

☒ Oil Well ☐ Gas Well ☐ Other:

2. Name of Operator:

Merrion Oil & Gas Corp

3. Address & Phone No. of Operator:

610 Reilly Ave Farmington, NM 87401-505-324-5300

4. Location of Well, Footage, Sec., T, R, M:

Unit H (SENE) 2270' FNL & 790' FEL, Sec. 10, T24N, R8W, NMPM

5. Lease Number:

NM-014580A

6. If Indian, All. Or Tribe Name:

NA

7. Unit Agreement Name:**8. Well Name & Number:**

Federal A #3

9. API Well No.:

30-045-26525

10. Field and Pool:

N. Duffers Pt Gallup DK

11. County and State:

San Juan County, NM

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA**Type of Submission:**☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment**Type of Action:**☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change of Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug & Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temp Abandon☐ Water Disposal☐ Water Shut-off☐ Well Integrity☐ Other:**13. Describe Proposed or Completed Operation:**

Merrion Oil & Gas plans to P&A the above mentioned well. Please see the attached P&A procedure.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

Notify NMOCD 24 hrs
prior to beginning
operations

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Signed Philana Thompson Title Regulatory Compliance Spec. Date 10/13/2014

(This space for Federal or State Office use)

APPROVED BY Troy Salyers Title PE Date 2/6/2015

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

PLUG AND ABANDONMENT PROCEDURE

September 16, 2014

Federal A #3

Dufers Point Gallup / Dakota
2270' FNL and 790' FEL, Section 10, T24N, R8W
San Juan County, New Mexico / API 30-045-26525
Lat: N _____ / Lat: W _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
2. Rods: Yes _____, No X, Unknown _____.
Tubing: Yes X, No _____, Unknown _____, Size 2-3/8, Length 4727'.
Packer: Yes _____, No X, Unknown _____, Type _____
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

Note: Will need to PU additional tubing to spot Plug #1. Merrion will supply workstring.

3. **Plug #1 (Gallup / Mancos perforations and top, 5419' - 4617')**: PU additional tubing workstring and RIH. Establish circulation. Sting into existing CR at 4810' and establish rate into perforations. Mix and pump 113 sxs Class B cement; squeeze 93 sxs below CR (100% excess) and still out of CR then spot 20 sxs above. Note: excess cement above CR due to casing leaks. If unable to sting into CR body then TOH. TIH with CR wash out tool and attempt to clean out CR body. Then spot Plug #1 as above. PUH and WOC. TIH and tag cement 50' above CR. If necessary top off cement. PUH.

See COA
4. **Plug #2 (Mesaverde and Chacra tops, 3540' - 2995')**: Mix and pump 46 sxs Class B cement and spot a balanced plug inside casing to cover the Mesaverde and Chacra tops. PUH.

See COA
5. **Plug #3 (Pictured Cliffs and Fruitland tops, 2300' - 2053')**: Mix and pump 23 sxs Class B cement and spot a balanced plug inside casing to cover the Pictured Cliffs and Fruitland tops. PUH.
6. **Plug #4 (Kirtland and Ojo Alamo tops, 1710' - 1465')**: Mix and pump 23 sxs Class B cement and spot a balanced plug inside casing to cover the Kirtland and Ojo Alamo tops. PUH.

7. **Plug #5 (8-5/8" casing shoe, 382' – 0'):** Note: excess cement due to casing leak from 382' to 351'. Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Spot 40 sxs Class cement from 382' to surface, circulate good cement out casing. Note: may be necessary to convert this plug into 2 plugs.
8. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. Cut off anchors and clean up location. Restore location per BLM stipulations.

Federal A #3 Current

Dufers Point Gallup / Dakota

2270' FNL & 790' FEL, Section 10, T-24-N, R-8-W, San Juan County, NM

Today's Date: 9/16/14

Long: _____ / Lat: _____ / API 30-045-26525

Spud: 9/7/85

Completed: 11/23/85

Elevation: 6992' GL
7005' KB

Nacimiento @ surface

Ojo Alamo @ 1515'

Kirtland @ 1660'

Fruitland @ 2103'

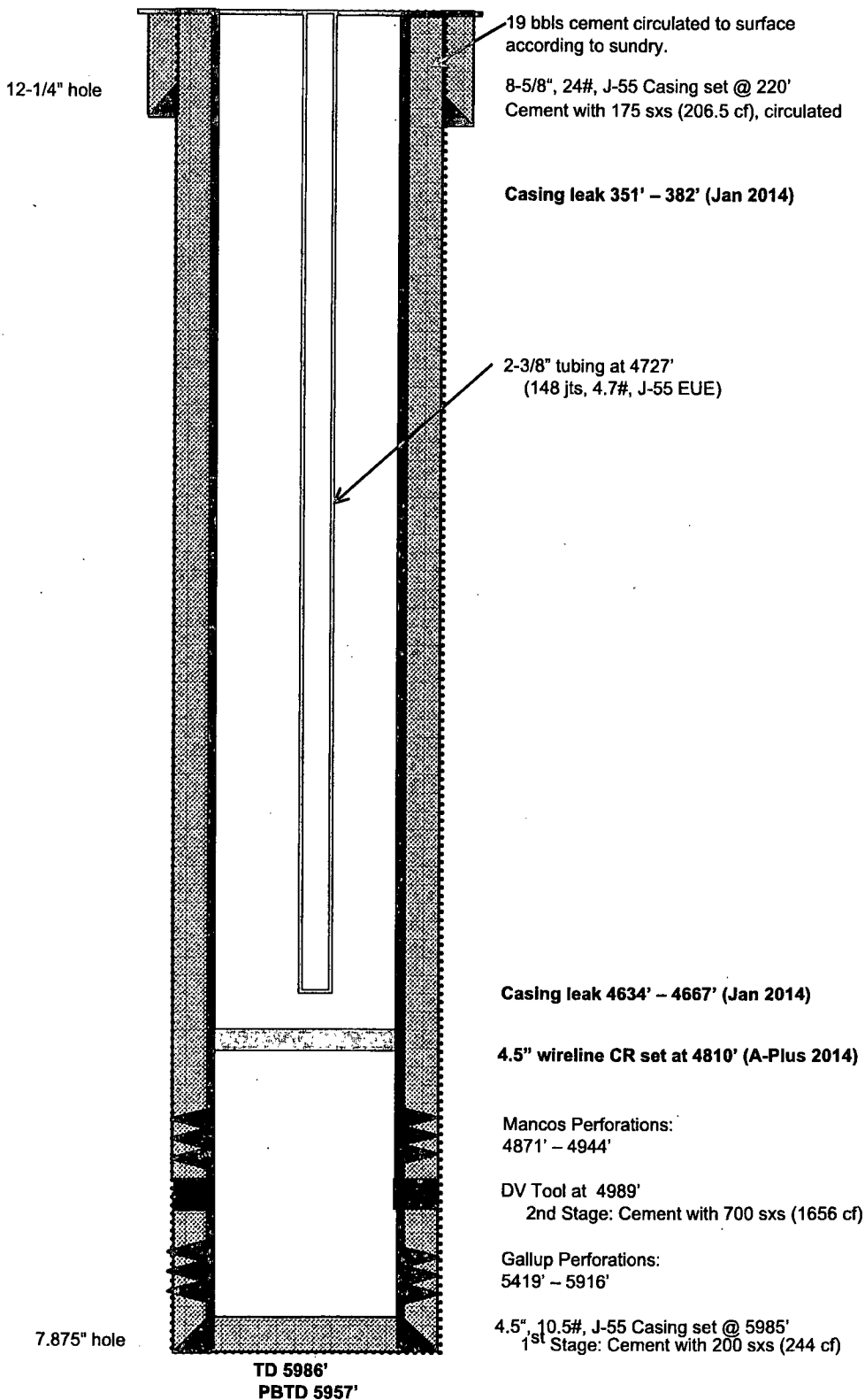
Pictured Cliffs @ 2250'

Chacra @ 3045'

Mesaverde @ 3490'

Mancos @ 4820'

Gallup @ 5630'



Federal A #3 Proposed P&A

Dufers Point Gallup / Dakota

2270' FNL & 790' FEL, Section 10, T-24-N, R-8-W, San Juan County, NM

Today's Date: 9/16/14

Long: _____ / Lat: _____ / API 30-045-26525

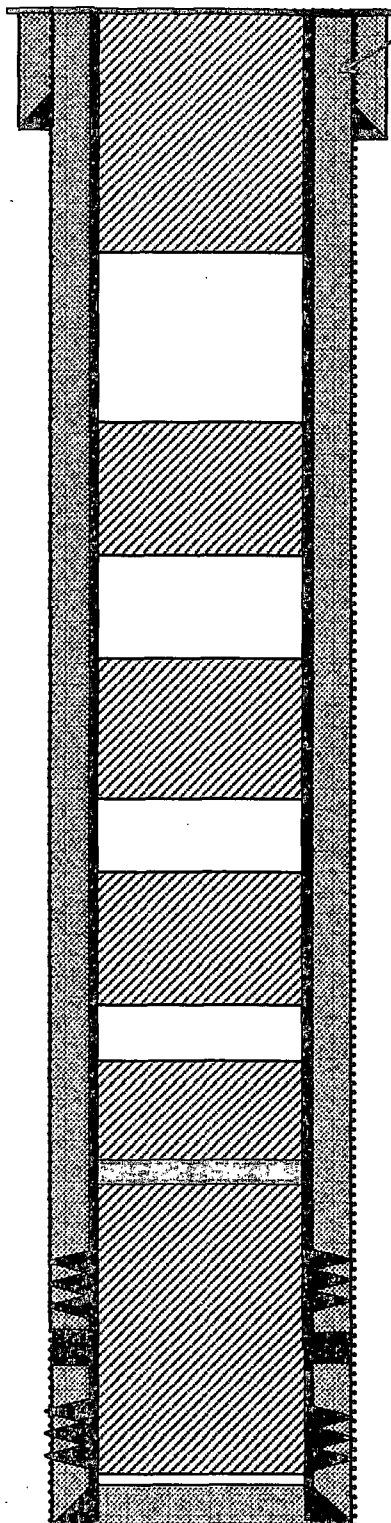
Spud: 9/7/85

Completed: 11/23/85

Elevation: 6992' GL
7005' KB

Nacimiento @ surface

12-1/4" hole



19 bbls cement circulated to surface according to sundry.

8-5/8", 24#, J-55 Casing set @ 220'
Cement with 175 sxs (206.5 cf), circulated

Casing leak 351' - 382' (Jan 2014)

Plug #5: 382' - 0'
Class B cement, 40 sxs

Plug #4: 1710' - 1465'
Class B cement, 23 sxs

Plug #3: 2300' - 2053'
Class B cement, 23 sxs

Plug #2: 3540' - 2995'
Class B cement, 46 sxs

Plug #1: 5419' - 4617'
Class B cement, 113 sxs:
93 below CR and 20 above
(Note: excess above due to casing leak)

Casing leak 4634' - 4667' (Jan 2014)

4.5" wireline CR set at 4810' (A-Plus 2014)

Mancos Perforations:
4871' - 4944'

DV Tool at 4989'
2nd Stage: Cement with 700 sxs (1656 cf)

Gallup Perforations:
5419' - 5916'

4.5", 10.5#, J-55 Casing set @ 5985'
1st Stage: Cement with 200 sxs (244 cf)

Ojo Alamo @ 1515'

Kirtland @ 1660'

Fruitland @ 2103'

Pictured Cliffs @ 2250'

Chacra @ 3045'

Mesaverde @ 3490'

Mancos @ 4820'

Gallup @ 5630'

7.875" hole

TD 5986'
PBTD 5957'

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Federal A #3

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Bring the top of plug #2 to 2611 ft. to cover the Mesaverde and Chacra tops. Adjust cement volume accordingly.
 - b) Bring the top of plug #3 to 1958 ft. to cover the Pictured Cliffs and Fruitland tops. Adjust cement volume accordingly.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.