



Salyers, Troy &lt;tsalyers@blm.gov&gt;

## Unapproved APD's

Philana Thompson <pthompson@merrion.bz>

Wed, Jun 29, 2016 at 10:44 AM

To: "Salyers, Troy" <tsalyers@blm.gov>

Cc: Maureen Joe <mjoe@blm.gov>, Cynthia Marquez <cmarquez@blm.gov>

We are not going to proceed with the drilling of the wells at this time.

OIL CONS. DIV DIST. 3

Thank you

JUL 06 2016

On Mon, Jun 27, 2016 at 8:55 AM, Salyers, Troy <tsalyers@blm.gov> wrote:

Philana,

Below is a list of wells we currently have on file from Merrion Oil & Gas. These permits have been pending for an extended period of time Please advise this office if your company is still interested in pursuing drilling these wells. If so, please provide a response to this message by 7/27/2016. If no response is received by the aforementioned date, the BLM will return your APD's with no further action taken.

Troy Salyers  
BLM-FDO

Well name	Well #	Township	Range	Section	Received date
Nelson A	2E	26	12	9	5/7/2007
Western C	1E	26	11	20	2/19/2008
Sullivan A	2E	26	12	10	9/5/2007

—  
Philana Thompson  
Regulatory Compliance  
Merrion Oil & Gas Corp  
cell 505-486-1171  
fax 505-324-5350

NMOC  
AV 19

2007 MAY 7 AM 9 38

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**RECEIVED**  
**FARMINGTON NM**

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF-078944 <b>A</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator MERRION OIL & GAS CORPORATION		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 610 REILLY AVE. FARMINGTON, NM 87401	3b. Phone No. (include area code) (505) 324-5300	8. Lease Name and Well No. NELSON A 2 E
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1619' FNL & 636' FEL At proposed prod. zone SAME		9. API Well No. 30-045- <b>34308</b>
14. Distance in miles and direction from nearest town or post office* 15 AIR MILES SSE OF FARMINGTON		10. Field and Pool, or Exploratory GAL'GOS GAL'P & BAS. DAK.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 636'	16. No. of acres in lease 320	11. Sec., T. R. M. or Blk. and Survey or Area 9-26N-12W NMPM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,304' (#90)	19. Proposed Depth 6,200'	12. County or Parish SAN JUAN
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,038' GL	22. Approximate date work will start* 08/01/2007	13. State NM
20. BLM/BIA Bond No. on file NM-0883		
23. Estimated duration 2 WEEKS		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Brian Wood</i>	Name (Printed/Typed) BRIAN WOOD	Date 05/01/2007
Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-9682
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

**DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS".**

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

**NMOCD**

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Mining Resources Department  
**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

Form C - 102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

2007 MAY 7 AM 9 38

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number <b>30-045-</b>	Pool Code <b>26980</b>	Well Name <b>GALLEGOS GALLUP (ASSOC.)</b>
Property Code <b>7823</b>	Property Name Nelson A	Well Number 2 E
OGRID No. <b>014634</b>	Operator Name MERRION OIL & GAS	Elevation 6038'

Surface Location

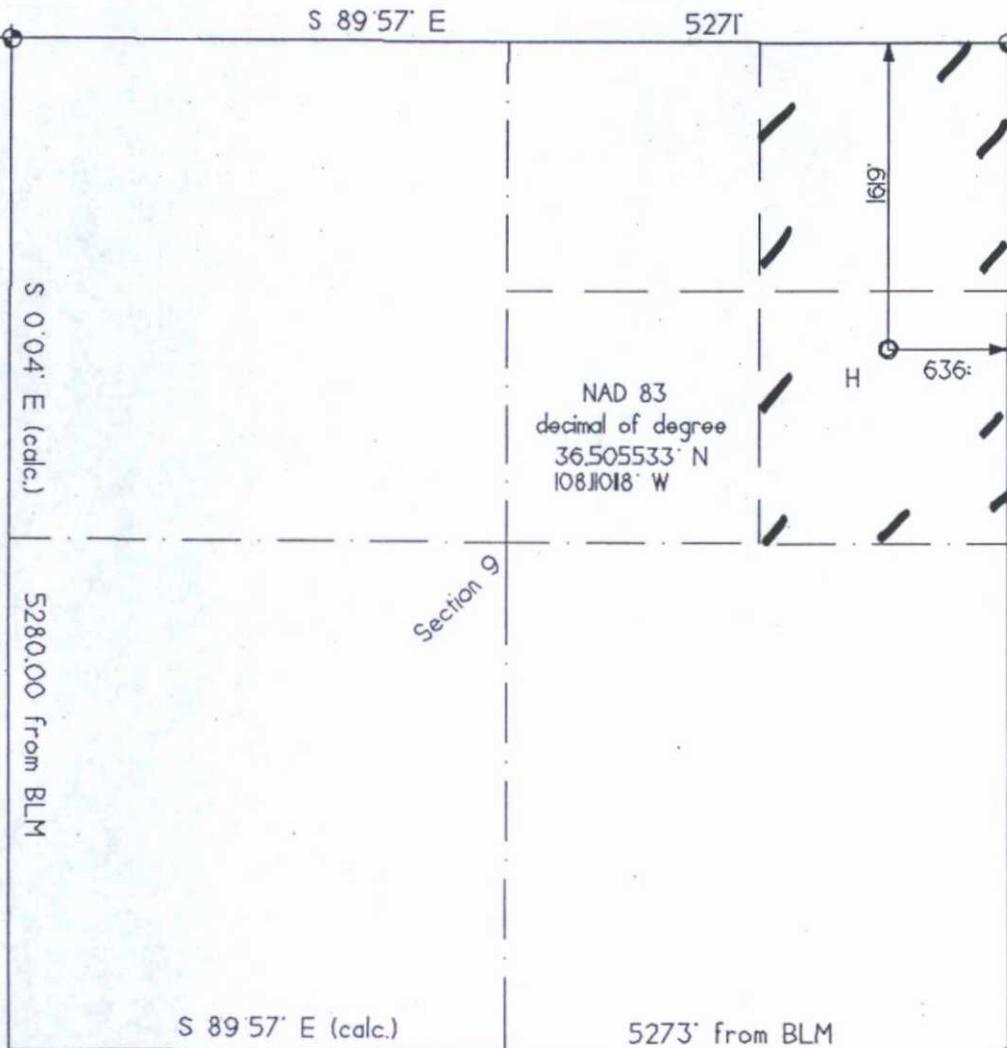
UL or Lot	Sec.	Top.	Rge.	Lot Id.	Feet from	North/South	Feet from	East/West	County
H	9	26 N.	12 W.		1619'	NORTH	636'	EAST	

Bottom Hole Location If Different From Surface

UL or Lot	Sec.	Top.	Rge.	Lot Id.	Feet from	North/South	Feet from	East/West	County

Dedicated Acres <b>80</b>	Joint or Infill	Consolidation Code	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.



<b>OPERATOR CERTIFICATION</b>	
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 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 pool agreement or a compulsory pooling order heretofore entered by the division.	
Date	<b>MAY 1, 2007</b>
Signature	<i>Brian Wood</i>
Printed Name	<b>BRIAN WOOD</b>
<b>SURVEYOR CERTIFICATION</b>	
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 of survey	<b>02-23-07</b>
Signature and Seal of Professional Surveyor	<i>Gerald H. Weston</i>
Certificate Number	

DISTRICT I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Mining Resources Department  
**OIL CONSERVATION DIVISION**  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C - 102  
 Revised October 12, 2005  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies  
 RECEIVED  
 070 FARMINGTON NM AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

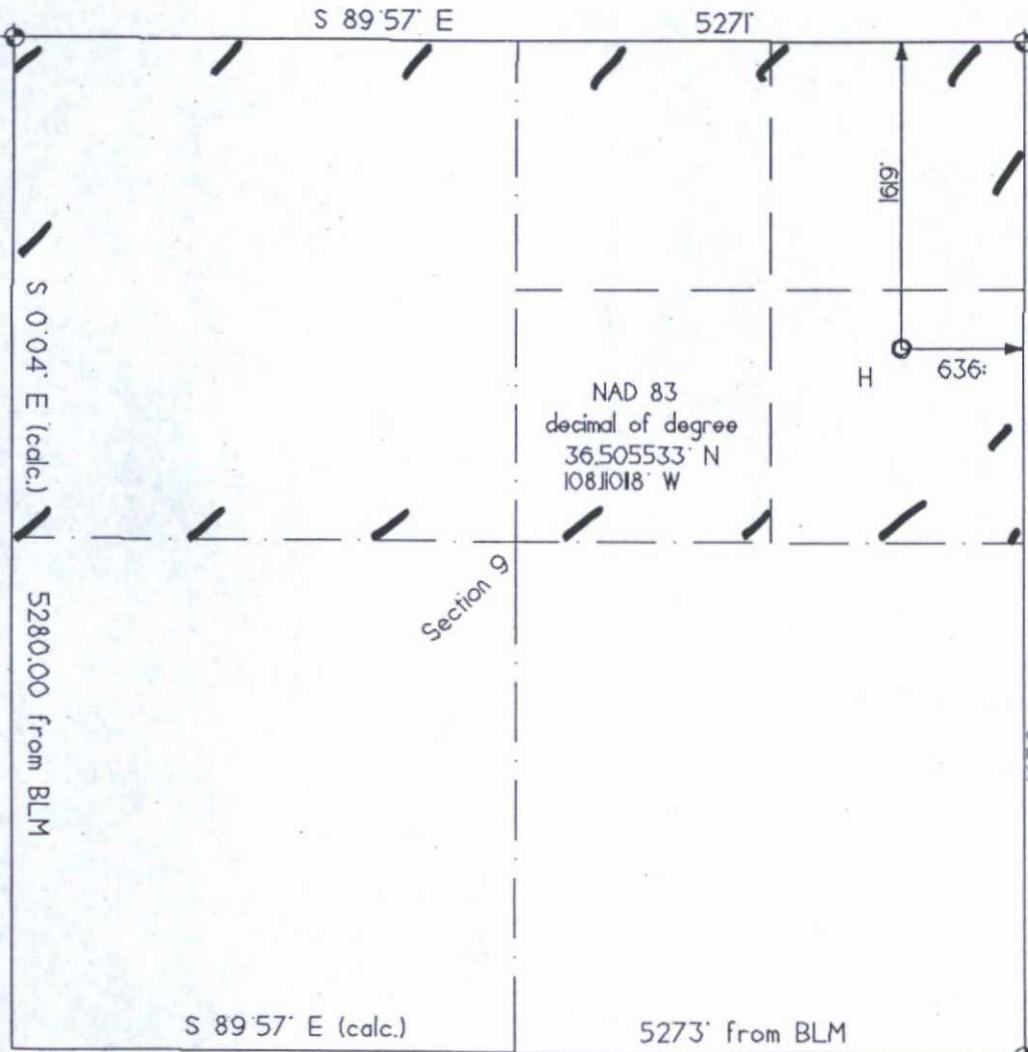
APA Number <b>30-045-</b>		Pool Code <b>71599</b>	Pool Name <b>BASIN DAKOTA</b>
Property Code .	Property Name Nelson A		Well Number 2 E
OGRID No. <b>014634</b>	Operator Name MERRION OIL & GAS		Elevation 6038'

Surface Location									
UL or Lot	Sec.	Top.	Rge.	Lot lch.	Feet from>	North/South	Feet from>	East/West	County
H	9	26 N.	12 W.		1619'	NORTH	636'	EAST	

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Top.	Rge.	Lot lch.	Feet from>	North/South	Feet from>	East/West	County

Dedicated Acres <b>320</b>	Joint or Infill .	Consolidation Code	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.



**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 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 pool agreement or a compulsory pooling order heretofore entered by the division.

Date: **MAY 1, 2007**

Signature: *Brian Wood*

Printed Name: **BRIAN WOOD**

**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 of survey: **02-23-07**

Signature and Seal of Professional Surveyor: *Gerald H. Weston*

**GERALD H. WESTON**  
 NEW MEXICO  
 6844  
 REGISTERED LAND SURVEYOR

Certificate Number

Merrion Oil & Gas Corporation  
 Nelson A 2 E  
 1619' FNL & 636' FEL  
 Sec. 9, T. 26 N., R. 12 W.  
 San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	0'	12'	+6,038'
Ojo Alamo Sandstone	223'	235'	+5,815'
Kirtland Shale	333'	345'	+5,705'
Fruitland	973'	985'	+5,065'
Main Fruitland Coal	1,253'	1,265'	+4,785'
Pictured Cliffs	1,273'	1,285'	+4,765'
Lewis Shale	1,373'	1,385'	+4,665'
LaVentana Sandstone	2,113'	2,135'	+3,925'
Menefee Shale	2,828'	2,840'	+3,210'
Point Lookout Sandstone	3,793'	3,805'	+2,245'
Mancos Shale	4,030'	4,042'	+2,018'
Gallup Sandstone	4,863'	4,875'	+1,175'
Greenhorn Limestone	5,748'	5,760'	+290'
Dakota Sandstone	5,873'	5,885'	+165'
Total Depth (TD)	6,200'	6,212'	-162'

2. NOTABLE ZONES

<u>Gas &amp; Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Fruitland	
Gallup		
Dakota		

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded.

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### 3. PRESSURE CONTROL

The drilling contract has not been awarded. Thus, the exact BOP model to be used is not yet known. (A typical double ram 2,000 psi model is on PAGE 3.) Minimum working pressure will be 2,000 psi. Pressure calculations are:

$$\begin{aligned} 0.29 \text{ psi/foot} \times 6,200' &= 1,798 \text{ psi maximum expected bottom hole pressure} \\ - 0.22 \text{ psi/foot} \times 6,200' &= 1,364 \text{ psi gas cut column} \\ \hline &434 \text{ psi maximum expected surface pressure} \end{aligned}$$

BOP pressure tests will be conducted at time of installation and before drilling out the surface casing shoe. Ram type preventer will be tested to  $\approx 1,000$  psi. The BOP will be activated on each bit trip and the activation recorded in the driller's log. A 2,000 psi working pressure choke manifold, kill line from the mud pump, and kelly cock valve will be installed. Stabbing valves for drill pipe and drill collars will be available on the rig floor.

### 4. CASING & CEMENT

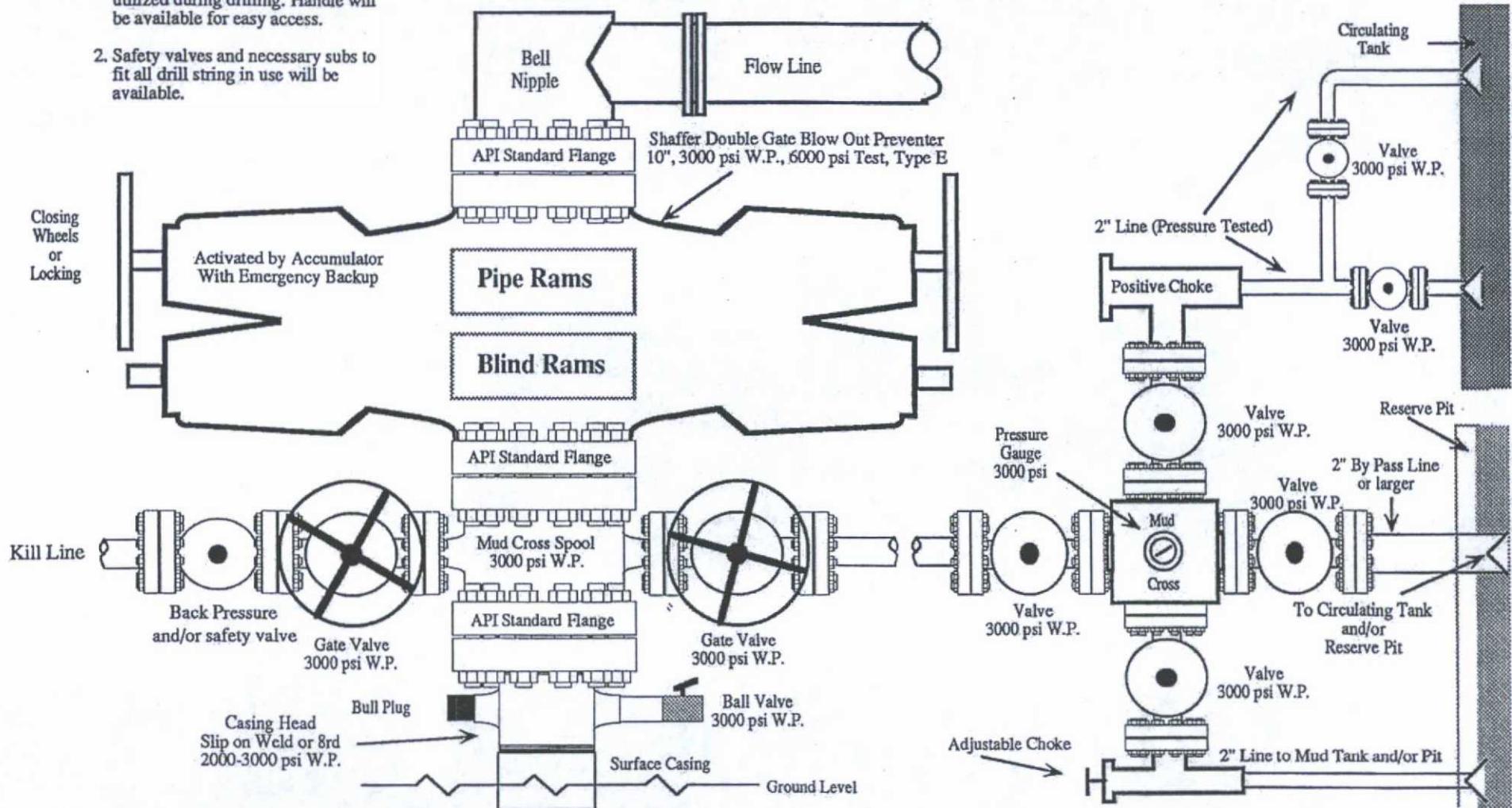
<u>Hole Size</u>	<u>O. D.</u>	<u>Pounds/Foot</u>	<u>Grade</u>	<u>Age</u>	<u>Connections</u>	<u>Depth Set</u>
12-1/4"	8-5/8"	24	J-55	New	ST & C	320'
7-7/8"	4-1/2"	11.6	J-55	New	LT & C	6,200'

Surface casing will be cemented to surface with  $\approx 264$  cubic feet ( $\approx 224$  sacks) Class B neat + 1/4 pound per sack cello-flake + 2% to 4% CaCl<sub>2</sub>. Yield = 1.18 cubic feet per sack. Weight = 15.6 pounds per gallon. Excess = 100%. A centralizer will be placed on the bottom joint.

Production casing hole will be cemented in two stages to the surface with  $\approx 2,146$  cubic feet. Excess = 50% (actual volumes will be based on caliper survey). DV tool will be  $\approx 50'$  below the top of the Mancos shale. Thus, DV tool will be set at  $\approx 4,100'$ . Will install 2 centralizers to bracket DV tool, 6 centralizers over Dakota, and 8 centralizers over Gallup.

# 2,000 PSI BOP SYSTEM

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

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First stage ( $\approx 2,100'$ ) of long string cement will cover Gallup and Dakota zones. Lead with  $\approx 250$  sacks Premium light high strength with 2% KCl + 0.2% CD-32 + 0.5% FL-52 + 1/2 pound per sack cello flake + 2% pheno seal (= 2.01 cubic feet per sack & 12.5 pounds per gallon). Tail with  $\approx 150$  sacks Type III + 0.3% CD-32 + 0.2% FL-52 + 5% A-10 + 1/4 pound per sack cello flake 2% pheno seal (= 1.54 cubic feet per sack & 14.2 pounds per gallon).

Second stage of cement will cover  $\approx 4,100'$  from DV tool to surface. Lead with  $\approx 490$  sacks Type III + 1/4 pound per sack flake + 8% gel + 2% pheno seal (= 2.60 cubic feet per sack & 11.9 pounds per gallon). Tail with  $\approx 100$  sacks Type III neat (= 1.39 cubic feet per sack & 14.5 pounds per gallon).

#### 5. MUD PROGRAM

Surface hole will be drilled with fresh water based spud mud at  $\approx 8.4$  pounds per gallon. Lime and gel will be added as needed for viscosity. Production hole will be drilled with a fresh water based low solids non dispersed mud with a weight of  $< 9.0$  pounds per gallon and water loss of  $< 10$  cc. Starch will be added as needed. Producing or sensitive zones will be air drilled.

#### 6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. DIL-FDC-GR logs will be run from TD to the base of the surface casing.

#### 7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected.

Merrion Oil & Gas Corporation  
Nelson A 2 E  
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San Juan County, New Mexico

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8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about  $\approx$ 2 weeks to drill and  $\approx$ 2 weeks to complete the well.

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San Juan County, New Mexico

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### Surface Use Plan

#### 1. DIRECTIONS & EXISTING ROADS (See PAGES 10 - 12)

From the San Juan River bridge in southwest Farmington ...  
Go south  $\approx$ 5 miles on NM 371 to the equivalent of Mile Post 99.9  
Then turn left and go East 1.3 miles on County Road 7010 to a four way stop  
Then turn right and go South 11-1/4 miles on County Road 7100 (old NM 371)  
Then turn left and go East 1-1/2 miles on N-3002  
Then turn left and go Northeast 1.1 miles on paved N-4123  
Then turn right and go East 1/2 mile on an existing dirt road to PI 1  
Then continue East 450.94' cross country to the proposed pad

Roads will be maintained to a standard at least equal to their present condition.

#### 2. ROAD TO BE BUILT OR UPGRADED (See PAGES 11 & 12)

The final 450.94' of road will be built to BLM Gold Book standards. This will consist of crowning and ditching with a  $\approx$ 14' wide running surface. Maximum cut or fill = 3'. Maximum grade = 2%. Maximum disturbed width will be  $\approx$ 20' (all within the proposed pipeline corridor). A NAPI water line will have a dirt ramp built over it. No culvert, cattle guard, upgrade, or vehicle turn out is needed.

#### 3. EXISTING WELLS (See PAGE 11)

There are 18 gas or oil wells, 14 plugged wells, and 2 water wells within a mile radius. There are no injection wells within a mile.

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San Juan County, New Mexico

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#### 4. PROPOSED PRODUCTION FACILITIES (See PAGES 11 & 12)

A pump, 300 to 400 bbl steel tank,  $\approx$ 95 barrel above grade water tank, meter run, and separator will be installed on the pad. Surface equipment will be painted a flat juniper green color. Merrion will lay a 4-1/2" O. D. welded steel natural gas pipeline 2,814.9' west. All of the route will parallel the road. Wall thickness = 0.156". Maximum disturbed width will be  $\leq$ 40'.

#### 5. WATER SUPPLY

Water will be trucked from a private water source along US 550.

#### 6. CONSTRUCTION MATERIALS & METHODS

NM One Call (1-800-321-ALERT) and NAPI (505 566-2600) will be called  $\geq$ 72 hours before construction starts. The top 6" of soil will be piled east of the pad. A diversion ditch will be cut east of the pile. A  $\geq$ 12 mil plastic liner will be installed in the reserve pit. Slopes will be no steeper than 3 to 1.

#### 7. WASTE DISPOSAL

All trash will be placed in a portable trash cage. It will be hauled to the county landfill. There will be no trash burning. Once dry, contents of the reserve pit will be buried in place. Human waste will be disposed of in chemical toilets and hauled to an approved dump station off the reservation.

#### 8. ANCILLARY FACILITIES

There will be no air strip or camp. Camper trailers will be on location for the

Merrion Oil & Gas Corporation  
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San Juan County, New Mexico

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company man, tool pusher, or mud logger.

#### 9. WELL SITE LAYOUT

See Pages 13 and 14 for drawings of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

#### 10. RECLAMATION

Reclamation starts once the reserve pit is dry. The pad and back filled pit will be contoured to a natural shape. Soil and brush will be evenly spread over disturbed areas. Disturbed areas will be ripped or harrowed. A BLM, BIA, or Tribal approved seed mix will be sown as prescribed. A harrow or cable will be dragged over the area to assure seed cover.

If the well is a producer, then the reserve pit, pipeline route, and any pad areas not needed for work overs will be reclaimed as previously described.

#### 11. SURFACE OWNER

All construction will be on lease (issued February 1, 1948) and on Navajo Tribal surface. Tribal Project Review Office address is P. O. Box 9000, Window Rock, Arizona 86515. Their phone number is (928) 871-6447.

#### 12. OTHER INFORMATION

The nearest hospital is a 3/4 hour drive away in southwest Farmington.

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13. REPRESENTATION

Anyone having questions concerning the APD should call:

Brian Wood, Consultant

Permits West, Inc.

37 Verano Loop

Santa Fe, NM 87505

(505) 466-8120

FAX: (505) 466-9682

Cellular: (505) 699-2276

Field representative will be:

Tyson Foutz

Merrion Oil & Gas Corporation

610 Reilly Ave.

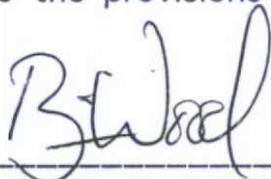
Farmington, NM 87401

(505) 324-5324

FAX: (505) 324-5350

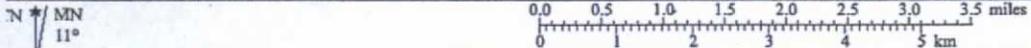
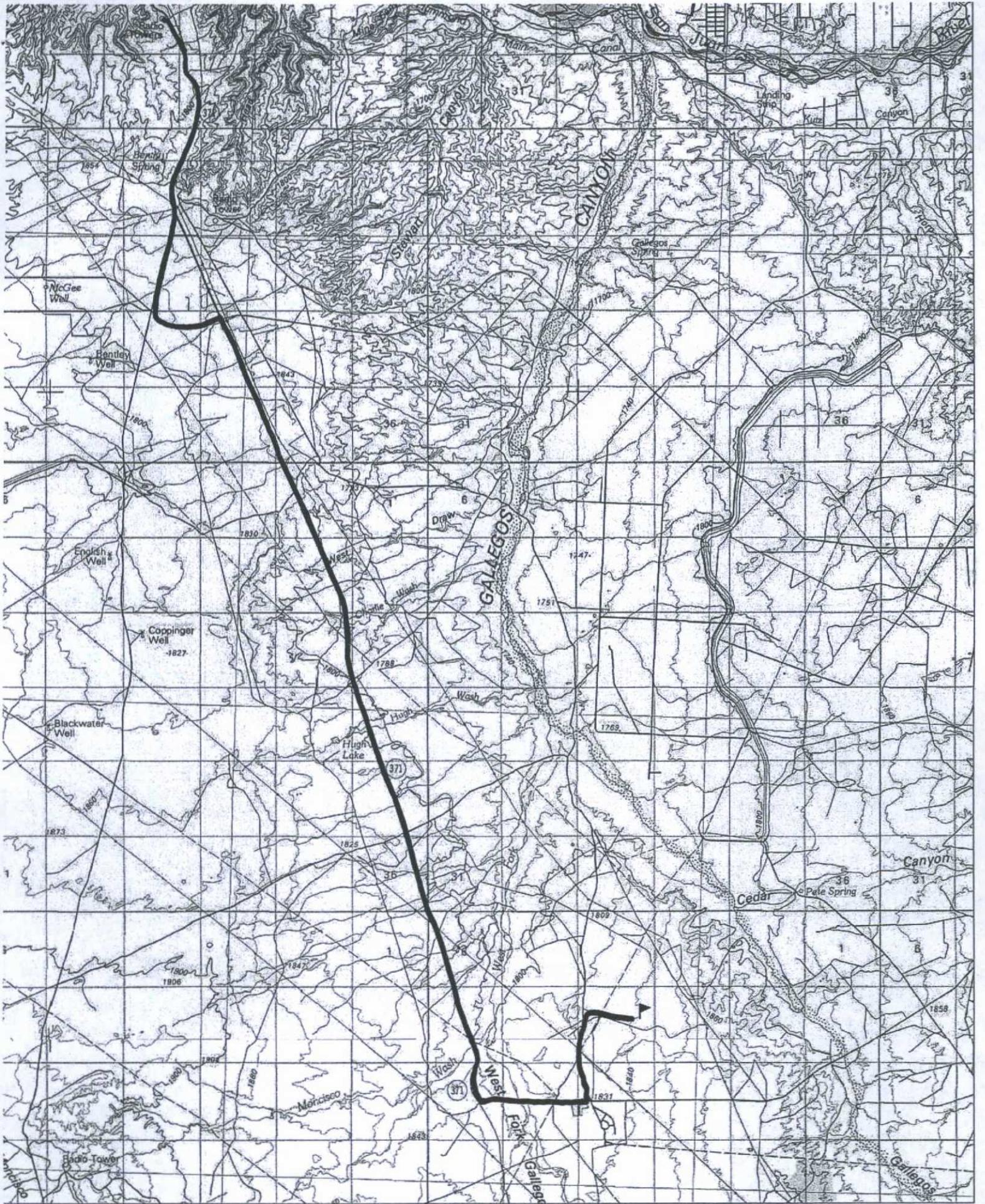
Merrion Oil & Gas Corporation has the necessary consents from the proper lease owners to conduct lease operations in conjunction with this well. Bond coverage pursuant to 43 CFR 3104 for lease activities and operations is being provided by Merrion Oil & Gas Corporation.

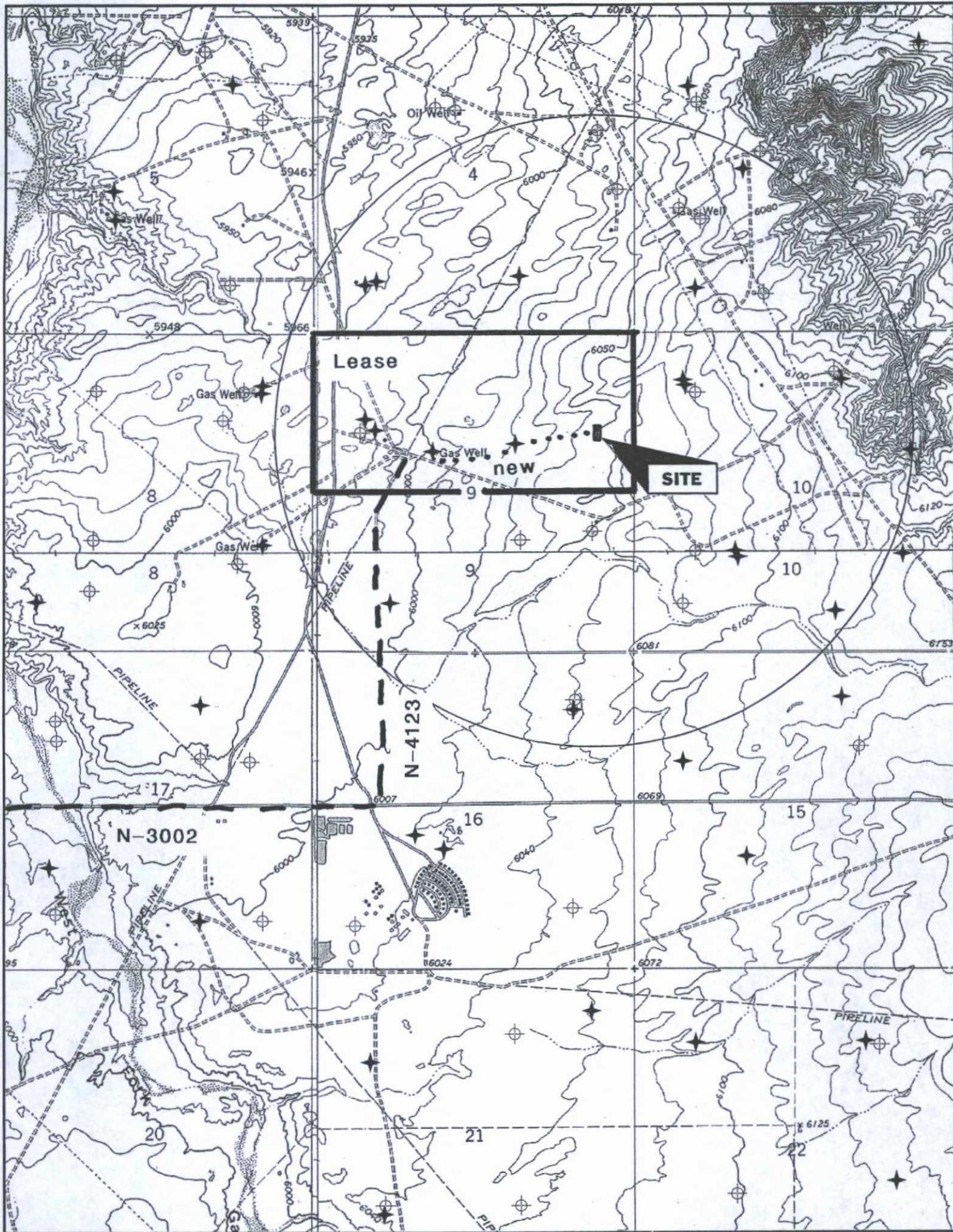
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Merrion Oil & Gas Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U. S. C. 1001 for the filing of a false statement.



\_\_\_\_\_  
Brian Wood, Consultant

May 1, 2007







Merrion Oil & Gas Corporation  
Nelson A 2 E  
1619' FNL & 636' FEL  
Sec. 9, T. 26 N., R. 12 W.  
San Juan County, New Mexico

1" = 50'



NORTH

