



Salyers, Troy <tsalyers@blm.gov>

**Unapproved APD's**

Philana Thompson <pthompson@merrion.bz>  
 To: "Salyers, Troy" <tsalyers@blm.gov>  
 Cc: Maureen Joe <mjoe@blm.gov>, Cynthia Marquez <cmarquez@blm.gov>

Wed, Jun 29, 2016 at 10:44 AM

OIL CONS. DIV DIST. 3

JUL 06 2016

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

Thank you

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

*Handwritten:* NUSCED AV

**RECEIVED**

SEP 05 2007

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Bureau of Land Management  
Farmington Field Office

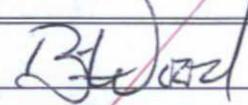
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF-080384
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. SULLIVAN A 2 E
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1831' FNL & 2313' FEL At proposed prod. zone SAME		9. API Well No. 30-045-34419
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) 809'	16. No. of acres in lease 640	11. Sec., T. R. M. or Blk. and Survey or Area 10-26N-12W NMPM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,139'	19. Proposed Depth 6,300'	12. County or Parish SAN JUAN
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,112' GL	22. Approximate date work will start* 01/01/2008	13. State NM
17. Spacing Unit dedicated to this well N2 320		
20. BLM/BIA Bond No. on file NM-0883		
23. Estimated duration 4 WEEKS		

Returned 6-29-16

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

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>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).</li> </ul> | <ul style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification</li> <li>6. Such other site specific information and/or plans as may be required by the authorized officer.</li> </ul> |
|--|--|

25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 08/31/2007
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)

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

**RECEIVED**

SEP 05 2007

Bureau of Land Management  
Farmington Field Office

Form C - 102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

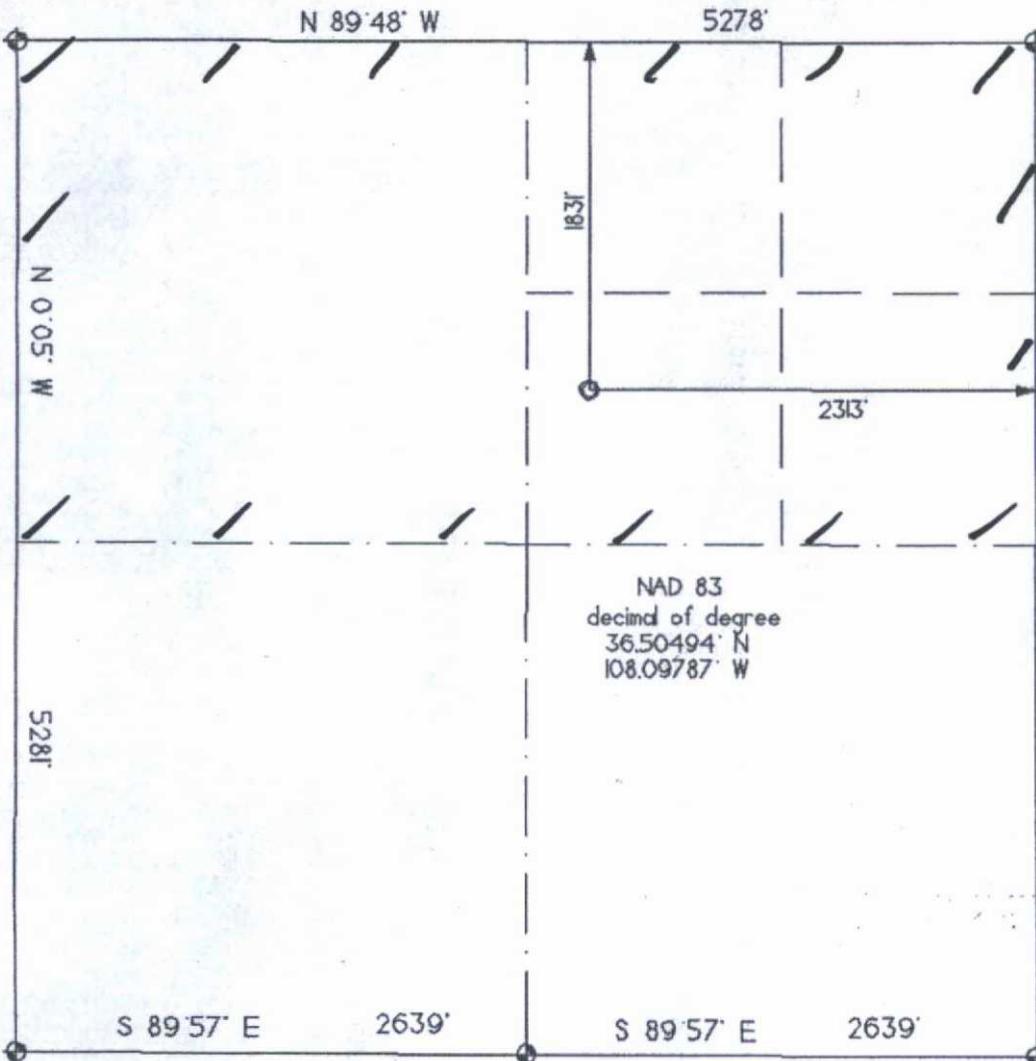
APA Number 30-045-		Pool Code 26980		Pool Name GALLEGOS GALLUP (ASSOC.)	
Property Code	Property Name Sullivan A			Well Number 2 E	
OGRD No. 014634	Operator Name MERRION OIL & GAS			Elevation 6112'	

Surface Location									County
UL or Lot	Sec.	Twp.	Rge.	Lot Idh.	Feet from >	North/South	Feet from >	East/West	
G	10	26 N.	12 W.		1831'	North	2313'	East	San Juan

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

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or leased 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  
AUG. 31, 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 rev: 05 11 '07

Signature and Seal of Professional Surveyor



Certificate Number 6844

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

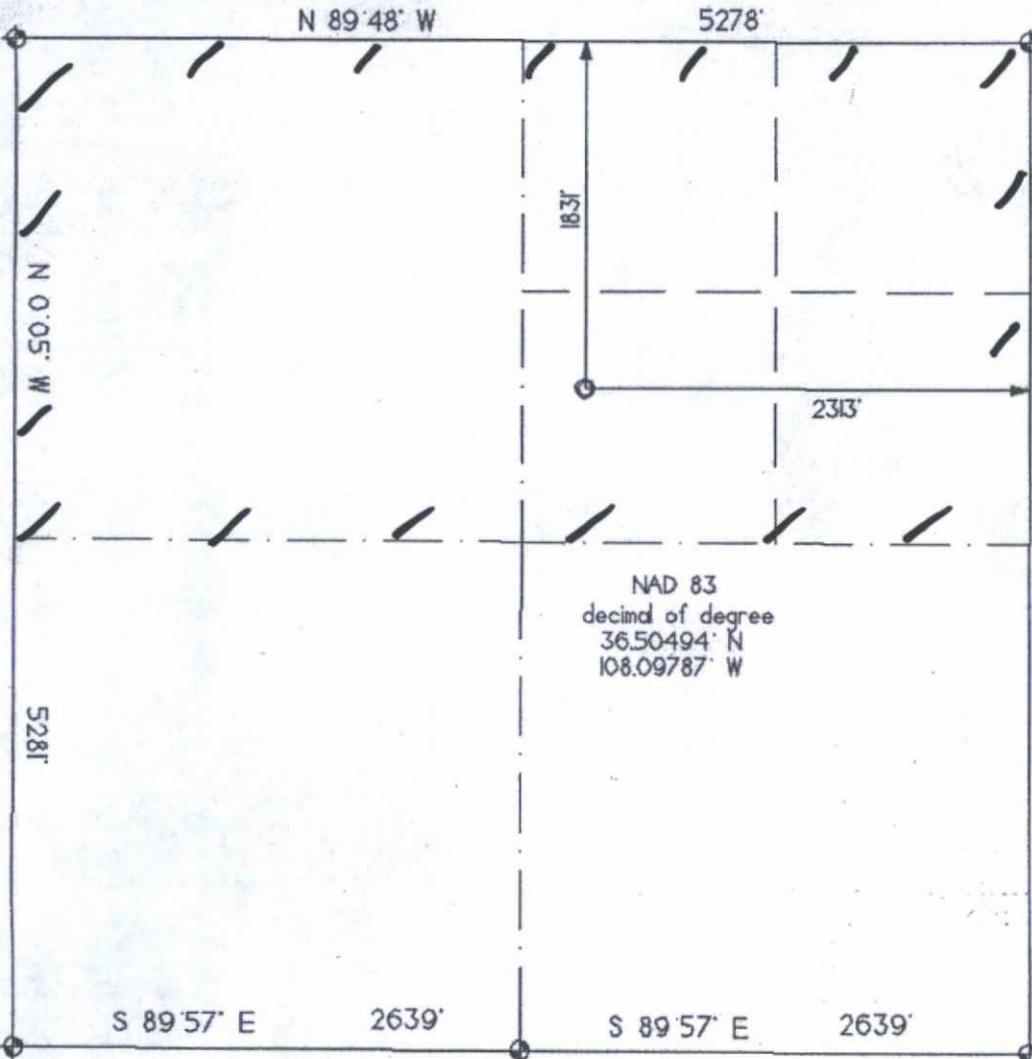
APA Number 30-045-		Pool Code 71599		Pool Name BASIN DAKOTA	
Property Code	Property Name Sullivan A			Well Number 2 E	
OGRD No. 014634	Operator Name MERRION OIL & GAS			Elevation 5112'	

Surface Location									
UL or Lot	Sec.	Typ.	Rge.	Lot Lth.	Feet from >	North/South	Feet from >	East/West	County
G	10	.26 N.	.12 W.		183'	North	2313'	East	San Juan

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

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or leased 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  
AUG. 31, 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  
rev: 05 11 '07  
Signature and Seal of Professional Surveyor



Certificate Number 6844

Merrion Oil & Gas Corporation  
 Sullivan A 2 E  
 1831' FNL & 2313' FEL  
 Sec. 10, 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'	+6,112'
Ojo Alamo Sandstone	262'	274'	+5,850'
Kirtland Shale	422'	434'	+5,690'
Fruitland	1,032'	1,044'	+5,080'
Main Fruitland	1,382'	1,394'	+4,730'
Pictured Cliffs	1,402'	1,412'	+4,710'
Lewis Shale	1,522'	1,534'	+4,590'
Cliffhouse Sandstone	2,232'	2,244'	+3,880'
Menefee Shale	2,902'	2,914'	+3,210'
Point Lookout Sandstone	3,892'	3,904'	+2,220'
Mancos Shale	4,102'	4,114'	+2,010'
Gallup Sandstone	4,962'	4,974'	+1,150'
Greenhorn Limestone	5,827'	5,839'	+285'
Dakota Sandstone	5,992'	6,004'	+120'
Total Depth (TD)	6,300'	6,312'	-188'

2. NOTABLE ZONES

Gas & Oil Zones

Fruitland  
 Pictured Cliffs  
 Gallup  
 Dakota

Water Zones

Nacimiento  
 Ojo Alamo  
 Fruitland

Coal Zones

Fruitland

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

Merrion Oil & Gas Corporation  
Sullivan A 2 E  
1831' FNL & 2313' FEL  
Sec. 10, T. 26 N., R. 12 W.  
San Juan County, New Mexico

### 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:

$$\begin{aligned} 0.29 \text{ psi/foot} \times 6,300' &= 1,827 \text{ psi maximum expected bottom hole pressure} \\ - 0.22 \text{ psi/foot} \times 6,300' &= 1,386 \text{ psi gas cut column} \\ \hline &441 \text{ psi maximum expected surface pressure} \end{aligned}$$

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

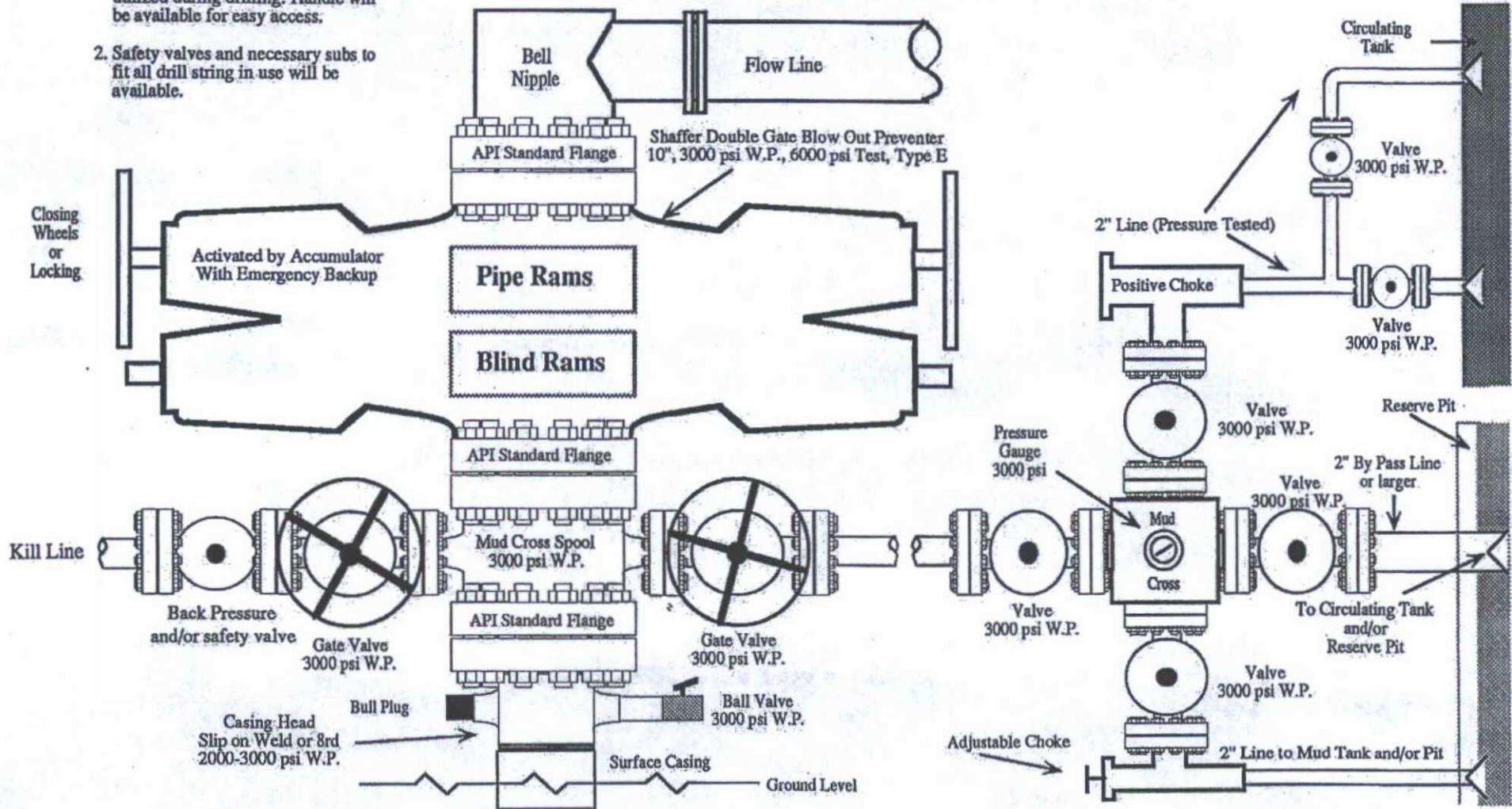
<u>Hole Size</u>	<u>O. D.</u>	<u>Pounds/Foot</u>	<u>Grade</u>	<u>Age</u>	<u>Connections</u>	<u>Depth Set</u>
12-1/4"	8-5/8"	24	J-55	New	ST & C	320'
7-7/8"	4-1/2"	11.6	J-55	New	LT & C	6,300'

Surface casing will be cemented to the 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  $\approx 2,172$  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  $\approx 4,200'$ . 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.

Merrion Oil & Gas Corporation  
Sullivan A 2 E  
1831' FNL & 2313' FEL  
Sec. 10, T. 26 N., R. 12 W.  
San Juan County, New Mexico

PAGE 4

First stage ( $\approx 2,100'$ ) of the long string cement will cover the 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  $\approx 4,200'$  from DV tool to surface. Lead with  $\approx 500$  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  
Sullivan A 2 E  
1831' FNL & 2313' FEL  
Sec. 10, T. 26 N., R. 12 W.  
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  $\approx$ 10 days to drill and  $\approx$ 2 weeks to complete the well.

Merrion Oil & Gas Corporation  
Sullivan A 2 E  
1831' FNL & 2313' FEL  
Sec. 10, T. 26 N., R. 12 W.  
San Juan County, New Mexico

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## Surface Use Plan

### 1. DIRECTIONS & EXISTING ROADS (See PAGES 11 - 13)

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 3-3/4 miles on N-3002  
Then turn left and go Northwest 1-1/2 miles on County Road 7125  
Then turn left and go West cross country  $\approx 25'$  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 PAGE 15)

The final  $\approx 25'$  of road will be built to BLM Gold Book standards. Road will be crowned, ditched, and have a  $\approx 14'$  wide running surface. No upgrade, culvert, vehicle turn out, or cattle guard is needed. Maximum disturbed width will be  $\leq 20'$ . Maximum cut or fill will be  $\approx 1'$ . Maximum grade is  $\approx 1\%$ .

### 3. EXISTING WELLS (See PAGE 12)

Sixteen gas or oil wells, 19 plugged and abandoned wells, and 2 water wells are within a one mile radius. There are no injection wells within a mile.

Merrion Oil & Gas Corporation  
Sullivan A 2 E  
1831' FNL & 2313' FEL  
Sec. 10, T. 26 N., R. 12 W.  
San Juan County, New Mexico

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#### 4. PROPOSED PRODUCTION FACILITIES (See PAGES 13 & 14)

A gas powered pump, 300 to 400 bbl steel oil 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 Carlsbad tan color. Merrion will lay a 4-1/2" O. D. welded steel natural gas pipeline 2,384.62' west. Wall thickness = 0.156". Maximum disturbed width will be  $\leq$ 40'. Pipeline will be buried at least 36" deep.

#### 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 west of the pad. A diversion ditch will be cut on the north and east sides. 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.

Merrion Oil & Gas Corporation  
Sullivan A 2 E  
1831' FNL & 2313' FEL  
Sec. 10, T. 26 N., R. 12 W.  
San Juan County, New Mexico

PAGE 8

#### 8. ANCILLARY FACILITIES

There will be no air strip or camp. Camper trailers will be on location for the company man, tool pusher, or mud logger.

#### 9. WELL SITE LAYOUT

See Pages 15 and 16 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, at which point it will be back filled. The pad and road will be contoured to a natural shape, slopes will be no steeper than 3:1, topsoil spread evenly over disturbed areas, water bars installed, and disturbed areas ripped or harrowed. BLM's seed mix will be sown. If the well is a producer, then the pipeline, reserve pit, and any pad areas not needed for work overs will be reclaimed as previously described. Water bars will be installed every  $\approx 100$  yards on the pipeline route and skewed to drain.

#### 11. SURFACE OWNER

All construction will be on lease and on Navajo allotted surface. Federal Indian Minerals Office address is 1235 LaPlata Highway, Farmington, NM 87401. Their phone number is (505) 599-8961. Land use (total 3.56 acres) will be:

Allotment 57518 (NW4 Section 10): 40' x 2,136.34' pipeline = 1.96 acres



Merrion Oil & Gas Corporation  
Sullivan A 2 E  
1831' FNL & 2313' FEL  
Sec. 10, T. 26 N., R. 12 W.  
San Juan County, New Mexico

PAGE 10

The field representative will be:

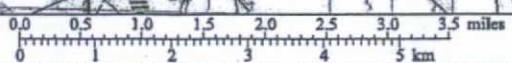
Tyson Foutz  
Merrion Oil & Gas Corporation  
610 Reilly Ave.  
Farmington, NM 87401  
(505) 324-5324

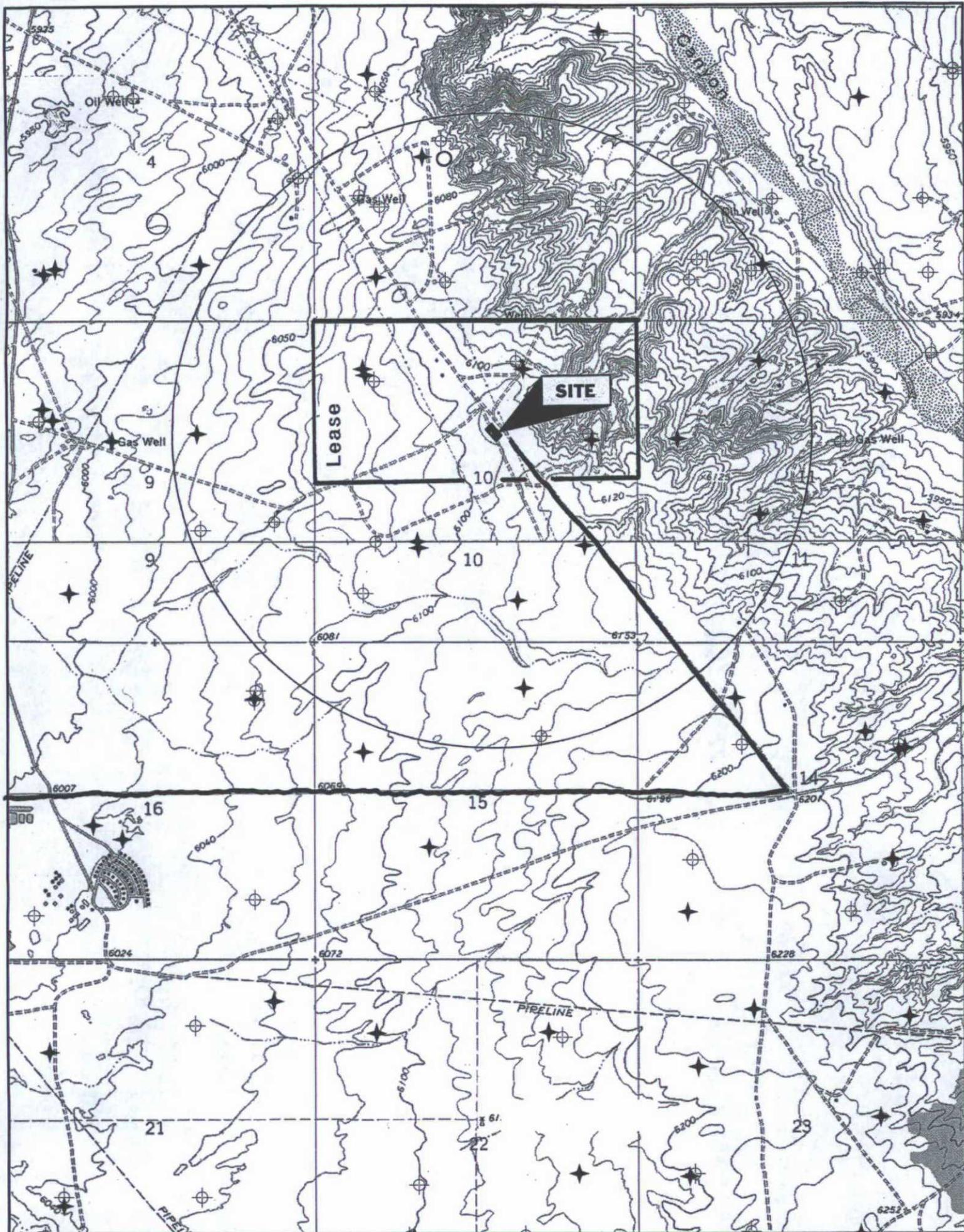
FAX: (505) 324-5350

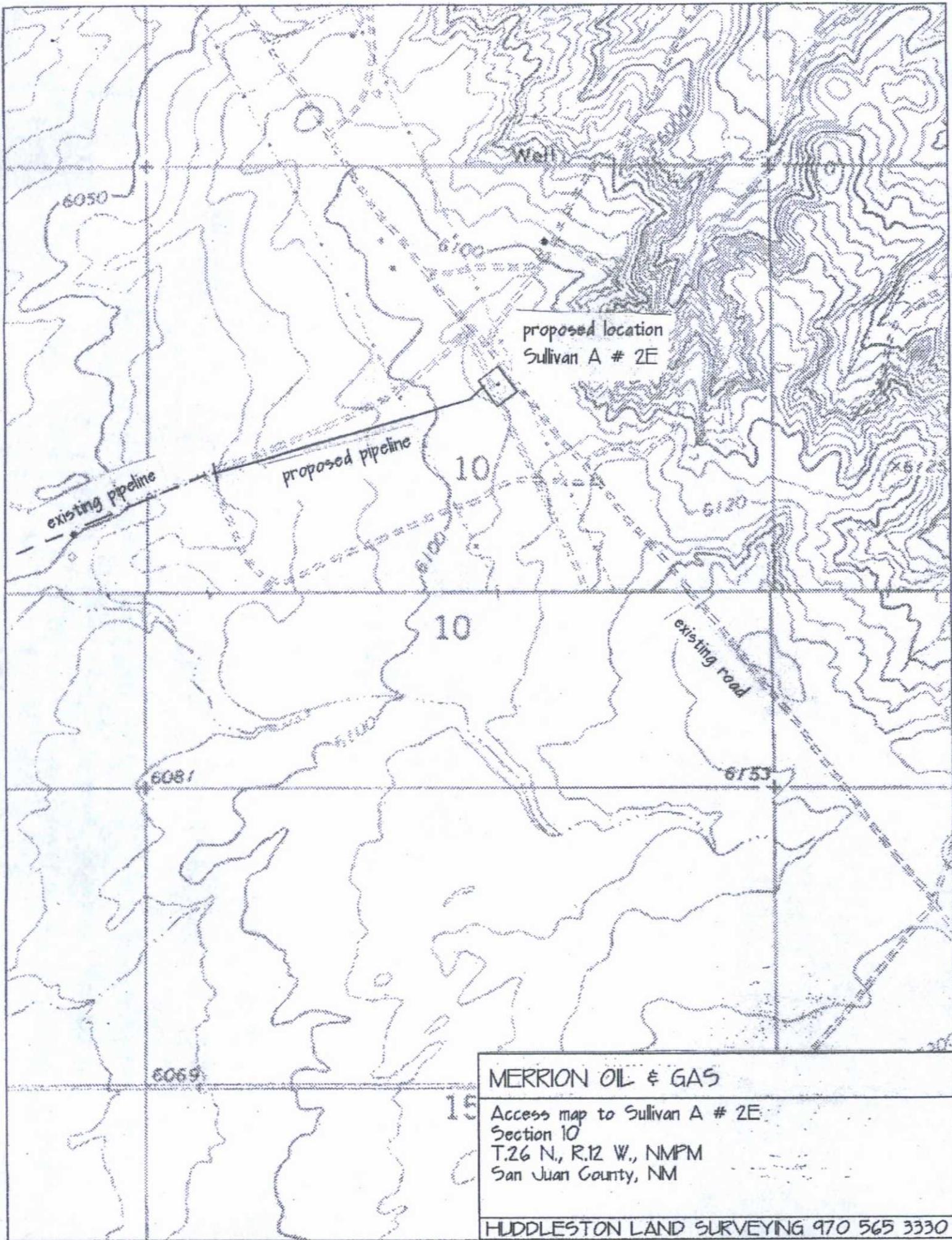
Cellular: (505) 320-6275



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MN  
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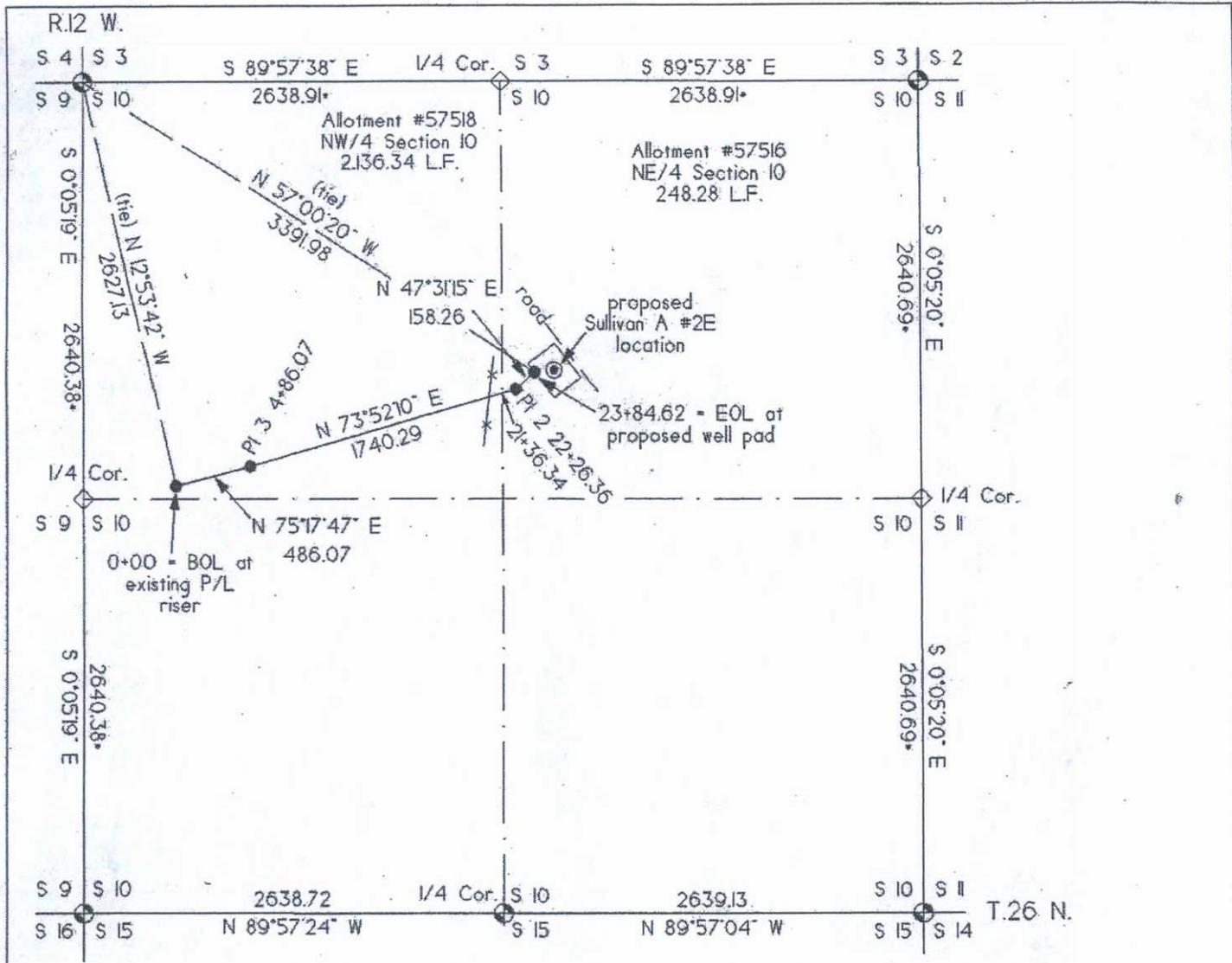




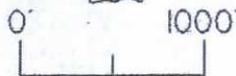


**MERRION OIL & GAS**

Access map to Sullivan A # 2E  
Section 10  
T.26 N., R.12 W., NMPM  
San Juan County, NM

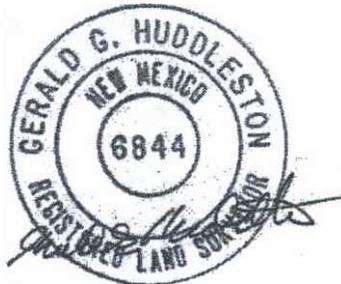


Basis of Bearing:  
GPS state plane coordinates  
rotated.



Scale: 1" = 1000'

- ◆ fnd. std. GLO monument
- ◇ calculated corner
- calculated distance
- survey centerline PI



I, Gerald G. Huddleston, a New Mexico registered Professional surveyor certify that I conducted and am responsible for this survey, that this survey is true and correct to the best of my knowledge and belief, and that this survey and plat meet the Minimum Standards for Surveying in New Mexico.

I further certify that this survey is not a land division or subdivision as defined in the New Mexico Subdivision Act and that this is a survey of a proposed pipeline.

**MERRION OIL & GAS CORPORATION**

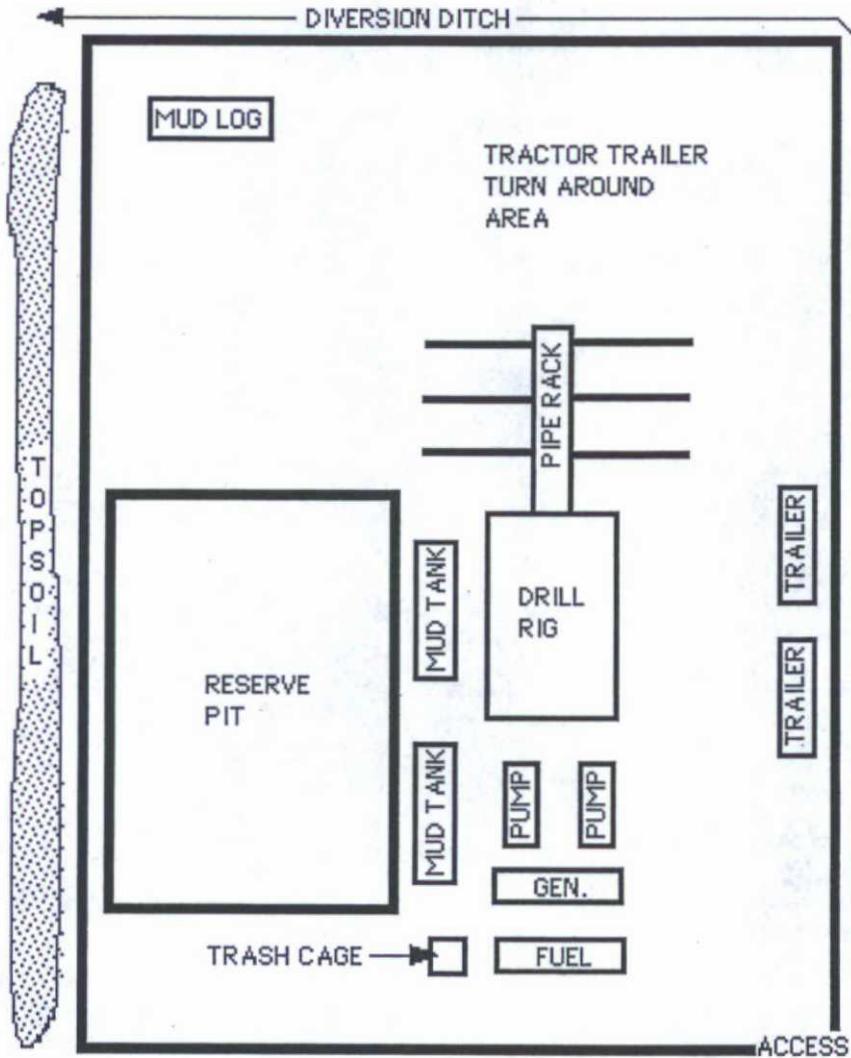
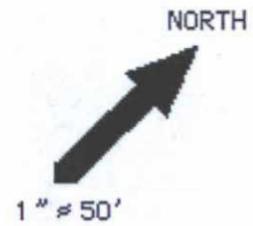
Proposed Sullivan A #2E pipeline -

N 1/2 of Section 10,  
T.26 N., R.12 W., NMPM,  
San Juan County, New Mexico

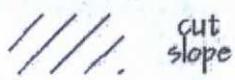
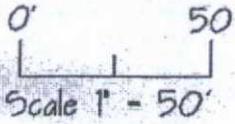
revised August, 27 2007  
revised May, 11 2007  
April 2007

HUDDLESTON LAND SURVEYING  
P.O. DRAWER KK / CORTEZ, CO 81321 / 970-565-3330

Merrion Oil & Gas Corporation  
Sullivan A 2 E  
1831' FNL & 2313' FEL  
Sec. 10, T. 26 N., R. 12 W.  
San Juan County, New Mexico



Sullivan A # 2E  
well pad & section

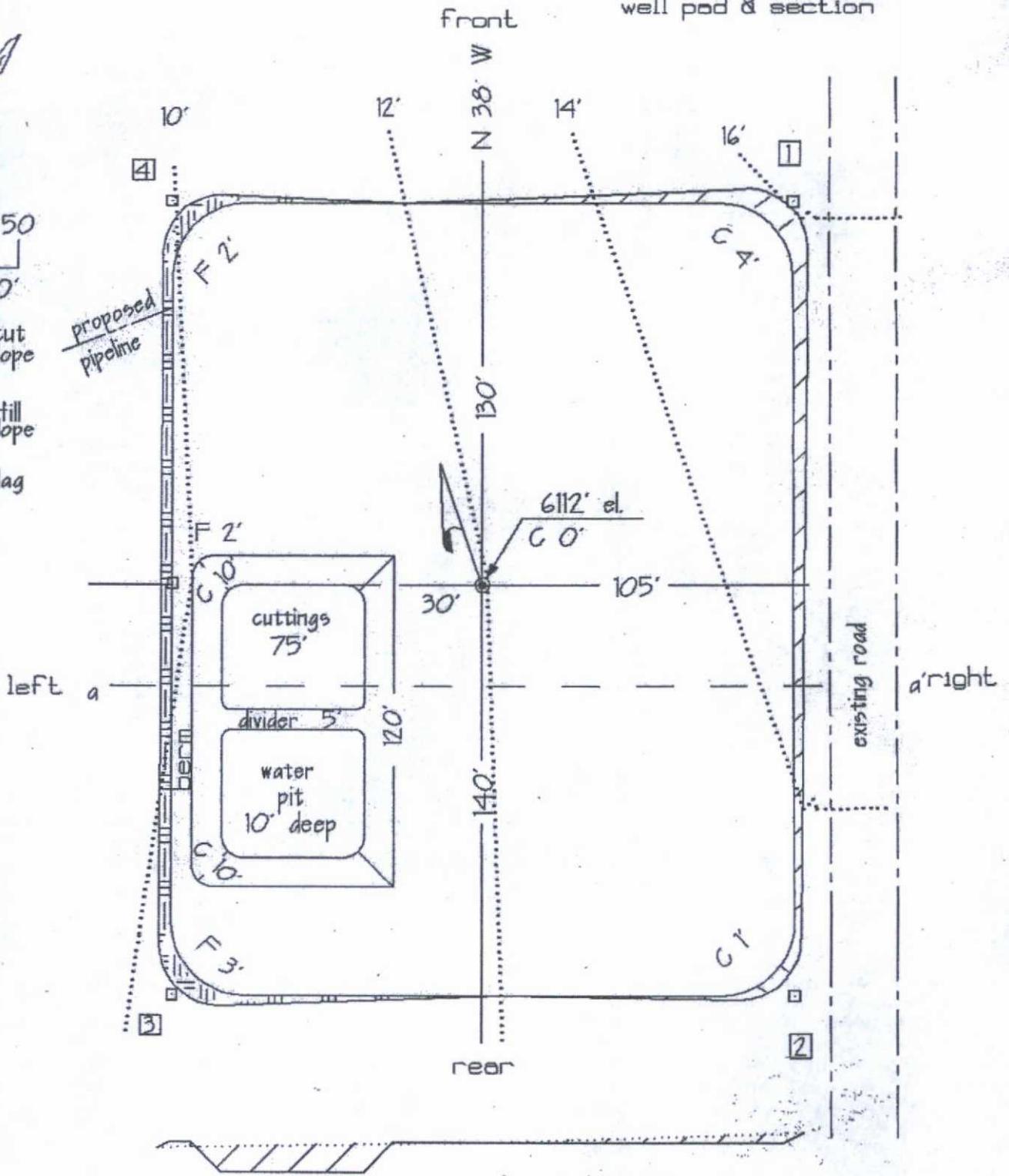


cut slope



fill slope

□ stake/pin flag



Cross section

