

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Bonos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Arena Blanca

8. Well No.

12

9. Pool name or Wildcat

Arena Blanca Entrada

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

1. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER

2. Name of Operator

Merrion Oil & Gas Corporation

3. Address of Operator

P. O. Box 840, Farmington, NM 87499

4. Well Location

Unit Letter I : 2360 Feet From The South Line and 1200 Feet From The East Line

Section 36 Township 20N Range 5W NMPM McKinley County

10. Elevation (Show whether DP, RKB, RT, GR, etc.)

6634' GL

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: Re-Drill ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

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

Merrion proposes to plug back the vertical Entrada by spotting cement from PBTD @ 5569' KB to 100 feet above the Entrada to 5415' KB with 25 ft³ of cement. Will mill up to 60 feet of 7" casing section at kick-off point in Morrison formation (depth not yet chosen). Will spot kick-off cement plug, dress off and mobilize direction equipment. Will run in hole with mud motor and 6-1/8" bit. Will orient and kick off of cement plug in a southwesterly direction (\pm S 80° W). Will build angle and intersect Entrada top at or near horizontal. Will continue to build angle to \approx 90°. May run 4-1/2" liner through build section and cement in place with adequate cement to circulate to liner top inside of 7" casing. Will set liner top a minimum of 50 feet into 7" casing. If a liner is set will drill ahead with a 3-7/8" bit; if not a 6-1/8" bit will continue to be used. Will drill a horizontal lateral up 800 feet in length in a northeasterly direction. Following drilling, no open hole logs are planned. The drilling mud will be displaced with water or other suitable completion fluid and the Entrada formation will be tested for sizing of a submersible pump.

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

SIGNATURE Steven S. Dunn TITLE Operations Manager DATE 6/30/95

TYPE OR PRINT NAME TELEPHONE NO.

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY ERNIE BUSCH TITLE DEPUTY OIL & GAS INSPECTOR, DIST. # DATE JUL - 6 1995

CONDITIONS OF APPROVAL, IF ANY:

Hold C-104 for [signature] & plat