Budget Bureau No. 1004-0135 UNITED STATES

SUBMIT IN TRIPLICATE*

Other instructions on reverse side) Form 3160-5 (November 1983) Expires August 31, 1985 5. LEASE DESIGNATION AND SERIAL NO. (Forme ly 9-331) BUREAU OF LAND MANAGEMENT SF 078877 6. IF INDIAN, ALLOTTER OR TRIRE NAME 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—" for such proposals.) 7. UNIT AGREEMENT NAME ī. OIL CAS WELL OTHER 8. FARM OR LEASE NAME NAME OF OPERATOR Merrion Oil & Gas Corporation Canyon Largo Unit 9. WBLL NO. 3. ADDRESS OF OPERATOR P. O. Box 840, Farmington, New Mexico LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) 10. FIELD AND POOL, OR WILDCAT 805' FSL and 530' FWL Devils Fork Mesaverde At surface 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA AUG 1 6 1985 Sec. 9, T24N, R6W 14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.) 12. COUNTY OR PARISH | 13. STATE 6541' GL Rio Arriba New Mexico Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data 18 NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF : PULL OR ALTER CASING WATER SHUT-OFF REPAIRING WELL TEST WATER SHUT-OFF MULTIPLE COMPLETE FRACTURE TREATMENT ALTERING CASING FRACTURE TREAT ABANDON* SHOOTING OR ACIDIZING ABANDONMENT* SHOOT OR ACIDIZE CHANGE PLANS REPAIR WELL (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) (Other) Water Injection Application 17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and gones pertinent to this work.) * Water Injection Application attached. Propose to prepare well for injection as follows: Will drill out cement plugs and clean out to 4260'. Will perforate Cliffhouse Formation 3630 - 70' with 2 PF. Will run Model A tension packer on 2-3/8" EUE tubing. Load backside with protective fluid containing a bactericide and oxygen scavenger. Set packer @ 3500' KB. Establish an injection rate and pressure. Acidize perfs if necessary to open up zone. Commence disposal operations as soon as surface equipment installed. Approved Subject to like Approva (of Nowed AUG 2 0 1985 18. I hereby certify/that the foregoing is true and correct TITLE Operations Manager SIGNED (This space for Federal or State office use) *PPROVED BY CONDITIONS OF APPROVAL, IF ANY: AREA MANAGER FARMINGTON RESOURCE AREA *See Instructions on Reverse Side

MERRION OIL & GAS CORPORATION

P. O. Box 1017 FARMINGTON, New Mexico 87499

RECEIVED

JUN 2 4 1985

June 20, 1985

BUREAU OF LAND MAMAGEMENT FARMINGTON RESOURCE AREA

Bureau of Land Management Caller Service 4104 Farmington, New Mexico 87499

Re: Canyon Largo Unit 125
Water Injection Application

Dear Sir:

We request administrative approval to dispose of produced water from the Gallup and Mesaverde Formation by subsurface injection. Attached is our Application for your consideration.

The proposed disposal well is the Canyon Largo Unit 125 which we plugged after a completion attempt in the Mesaverde. We will drill out cement plugs to below the Cliffhouse. All other cement plugs will remain to isolate the Gallup and Lower Mesaverde.

The proposed injection zone is the Cliffhouse, Mesaverde.

If further is required, please advise.

Sincerely,

MERRION OIL & GAS CORPORATION

Steve S. Dunn, Operations Manager

SSD/am

Enc.

JUN 2 4 1985

MERRION OIL & GAS CORPORATION

BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA

P. O. Box 840 Farmington, New Mexico

APPLICATION FOR APPROVAL TO DISPOSE OF PRODUCED WATER

Re:

NTL 2B

LEASE:

Canyon Largo Unit 125

LOCATION: 805' FSL & 530' FWL

FIELD:

Devils Fork

Sec. 9, T24N, R6W

LEASE No. SF 078877

Rio Arriba Co., New Mexico

- Approval is requested to dispose of produced water by subsurface injection.
- This application is made pursuant to Sec. II of NTL 2B. The following information is submitted.
 - A. Injection Well:

Canyon Largo Unit 125

(See attached application to New Mexico Oil

Conservation Commission)

В. Produced Water: Water analysis attached.

C. Injection Formation: Cliffhouse

Water Quality: D.

Water analysis attached.

Ε. Water Aquifers:

Ojo Alamo

- F. Injection Well Completion: Wellbore diagram attached.
- G. General: Injection system and volumes will be monitored by field personnel. In the event of injection system shutdown, producing wells will be shut-in to effect repairs, if necessary.

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

Steve S. Dunn, Operations Manager

6/20/85

Date