Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
SF-079298-C

6. If Indian, Allottee or Tribe Name

RECEIVED BLM
97 JAN 15 PM 12:37
070 FARMINGTON, NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Shelby Federal #1

2. Name of Operator
Merrion Oil & Gas Corporation

9. API Well No.
30-039-06991

3. Address and Telephone No.
610 Reilly Ave Farmington NM 87401
ph: (505) 327-9801

10. Field and Pool, or Explatory Area
Basin Dakota

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1720' fnl & 1000' fel (se ne)
Section 24, T27N, R7W

11. County or Parish, State
Rio Arriba, New Mexico

12. **CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION	
☒ Notice of Intent	☐ Abandonment	☐ Change of Plans
☐ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☒ Other Construct Pipeline	☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. 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 zones pertinent to this work.)*

Merrion Oil & Gas proposes to construct a 2" buried pipeline from the Shelby Federal #1 to the Shelby Federal #1E in the EPFS existing pipeline corridor between the two wells. Ownership of the wells is common and all construction will be "on lease". The pipeline will be constructed in accordance with the attached specifications. The Merrion pipeline will be offset a minimum of 20 feet from the EPFS line, but will not be outside the EPFS ROW. The archaeological survey is completed and has been forwarded to your office. The gas will be metered for sale at the Shelby Federal #1E, but the existing EPFS meter at the Shelby Federal will be left on site to allow proper production allocation.

RECEIVED
JAN 31 1997
OIL CON. DIV.
DIST. 3

COPIES: BLM+4, LAND+1, ACTG+1, WELL FILE+1

14. I hereby certify that the foregoing is true and correct
Signed Connie Dinning Title Contract Engineer Date 10/14/96

APPROVED

(This space for Federal or State office use)

Approved by _____ Title _____ Date JAN 28 1997
Conditions of approval, if any:

DISTRICT MANAGER

Title 18 U.S.C. Section 1001, makes 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.

NMOCD

/S/ Duane W. Spencer

SPECIFICATIONS AND PROCEDURES

FOR CONSTRUCTION OF METER INSTALLATION FACILITIES

L
MATERIALS

PIPE

Operator will provide El Paso with Manufacturer's Mill Test Reports (MTRs) for all pipe used in a meter installation. Minimum requirements for pipe and components used in meter installations are that they must:

1. Be able to maintain the structural integrity of the pipeline under temperature, environmental and other anticipated operating conditions.

2. Be chemically compatible with any gas to be transported and with any other material with which they may come in contact under operating conditions.

3. Conform to all API 5L Specifications.

2" Line Pipe, 0.154" wall thickness

VALVES

Minimum requirements for valves:

1. Each valve must meet the requirements of API 6D. A valve may not be used under operating conditions that exceed the applicable pressure-temperature ratings contained in those requirements.

2. Each valve must be able to meet the anticipated temperature, environmental and operating conditions.

3. Refurbished valves may be used, provided that such valves must meet or exceed the requirements of El Paso's Specification PS-0005 for refurbishment.

FLANGES AND FLANGE ACCESSORIES

1. Each flange or flange accessory must meet the minimum requirements of ASME/ANSI B16.5, MSS SP-44.

2. Each flange assembly must be able to withstand the maximum pressure at which the pipeline is to be operated and to maintain its physical and chemical properties at any temperature to which it is anticipated that it might be subjected in service.

Flange fittings to be ANSI 300 psi

Screwed fittings to be minimum 2000 psi pressure rating

STANDARD FITTINGS

1. The minimum metal thickness of the threaded fittings may not be less than specified for the pressures and temperatures in the applicable American National Standard or the MSS Standard Practice.

2. The actual bursting strength of each steel butt-welding fitting must at least equal the computed bursting strength of the pipe of the designated material and wall thickness to be used in the meter installation, as determined by a prototype that was tested to at least the pressure required for the pipeline to which it is being added.

OVER PRESSURE PROTECTION

1. Each pipeline that is connected to a gas source so that the maximum allowable operating pressure could be exceeded as the result of pressure control failure or of some other type of failure must have a rupture pin valve or other equivalent pressure relieving or pressure limiting devices.

BOLTING

All bolting shall be alloy steel or the ASTM type as indicated:

1. Stud bolts (threaded entire length) shall be ASTM A193, Grade B-7 quenced and tempered, chrome molybdenum steel. Identification symbol B-7 shall be stamped on one end of each bolt.

2. Nuts shall be ASTM A194 Grade 2H, hot-forged, oil-quenched carbon steel.

METER TUBES

Prior to installation, Operator shall contact El Paso's Measurement Supervisor at (505) 599-2130 in order to arrange to have an El Paso Measurement Technician mic all orifice meter tubes. All meter tubes must meet the following specifications:

1. Meter tubes must be manufactured to El Paso's specifications as detailed in Drawing #GM-STD-1 shown on Page A-23 of Appendix A.

2. Refurbished or used meter tubes may be installed provided the meter tube meets or exceeds El Paso's specifications as detailed in Drawing #GM-STD-1 shown on Page A-23 of Appendix A.

II.

CONSTRUCTION REQUIREMENTS & STANDARDS

All meter installation construction is to comply with the applicable specifications summarized below.

WELDING

1. Welding shall be done in accordance with the API Standard for Field Welding of Pipeline, API Standard No. 1104. The following summarizes the specifications applicable to welding.

2. All fabrication welds are to be performed in the presence of El Paso's Inspector. Welds shall be made by the manual, shielded metal-arc method.

3. Any person who works as a welder on the meter installation construction must be qualified in accordance with section 3 of API Standard 1104 and have a current El Paso welder's test certification and stencil. Arrangements can be made to take the El Paso welder's certification test by contacting El Paso's welding superintendent at (505) 599-3319.

4. Welding machines shall be operated within the amperage and voltage ranges recommended for each size and type of electrode.

5. Before beginning any welding, the surfaces to be welded shall be smooth, uniform, free of fins, laminations, tears, scale, slag, grease, paint, and other deleterious material which might adversely affect the welding. The joint design and spacing between abutting ends shall be in accordance with the welding procedures specifications to be used. El Paso's Inspector will provide the appropriate welding procedure to be used depending on pipe size, wall thickness, and grade of pipe or fitting to be welded. (See Appendix A-1 thru A-4: **Test Weld Forms**)

6. Each welder shall identify his work by using a low-stress stamp. The location of the stamp marking shall be on the button on the top of the weld or as near as possible to that button.

X-RAY

1. El Paso's Inspector, exercising reasonable discretion, shall have the right to inspect any or all welds by nondestructive means or by removing welds and subjecting them to mechanical test.

2. X-rays on the meter installation should be completed on up to 10% of the welds.

No X-rays will be performed

Pipe coating will be Polyken 955, 15 mil

Pressure testing will be done with a deadweight tester and chart, min 1 hour