

Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-039-07713
5. Indicate Type of Lease
STATE [X] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name
Ired State
8. Well Number
1
9. OGRID Number
14634
10. Pool name or Wildcat
Blanco PC
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6168' GL

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 [X] Other []
2. Name of Operator
Merrion Oil & Gas Corporation
3. Address of Operator
610 Reilly Ave, Farmington, NM 87401
4. Well Location
Unit Letter N : 790 feet from the South line and 1630 feet from the West line
Section 32 Township 30N Range 7W NMPM County Rio Arriba

12. 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 [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: Run 4 1/2 Liner CSG Repair [X]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see the attached detailed procedure.

Spud Date: []

Rig Release Date: []

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

SIGNATURE Philana Thompson TITLE Regulatory Compliance Specialist DATE 12/20/2022

Type or print name Philana Thompson E-mail address: pthompson@merrion.bz PHONE: 505-486-1171

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

October 29, 2022

Work Detail: MIRU Cross Country Rig #3 on 10/28/2022. RU pump truck, load tubing with 16 bbls, pressure test to 700 psig – good. Need short handle hammer wrenches to get wellhead off due to seller, too late to run tools out. Soak bolts/nuts with WD-40. Shut well in, secure location. Shut down over the weekend. (S. Murray)

November 1, 2022

Work Detail: Crew blowing well down to pit upon arrival. Well making foam to the pit and had a steady stream of black water. ND WH and pull up to unseat tbg hanger to ensure it will unseat. Csg blowing foam up around hanger. Reseat hanger and install TIW valve on tbg and NU BOP. Difficult time getting WH bolts loose and getting BOP on with the narrow cellar. Wait 3 hrs. on water truck to load the pit. Load pit with 80 bbls of 2% KCl. Pump 5 bbls down the csg and pull hanger thru BOP. Open TIW valve and pump 5 bbls down the tbg. PU 3 jts of tbg and RIH to 3105' KB, did not tag. TOOH laying down tag jts and TOOH w/98 jts of 2-7/8", 6.5#, J55 tbg, had SN, 1 jt, and then saw tooth collar on bottom. PU 7" csg scraper, bit sub, and 6-1/4" mill to the roller cone bit. TIH w/ scraper to 3105' KB. Pull 25 stands and SDON. (J. Ryan Davis)

November 2, 2022

Work Detail: Pump 5 bbls of 2% KCL. TOOH w/23 remaining stands and LD 2 singles, bit, scraper, and bit sub. MIRU The Wireline Group, run temp survey from surface to 3132' KB. No definitive areas of water influx based on temp change, did not tag noticeable fluid level. Line and temp tool came out of the hole dry. PU caliper (40 arm) and magnetic wall thickness csg inspection tool. RIH and log from 3100' KB to surface. Identify previous squeeze interval at 2960' KB and a few areas of concern. Wall loss from 1019' KB to 1166' KB, 1450' KB to 1666' KB, 1886' KB to 2008' KB. Pitting and possible holes 1526' KB, 1546' KB and 2960' KB (previous squeeze). There was a csg anomaly @ 2026' KB. Overall csg looked decent in terms of avg wall loss but there were indications of csg being over torqued 48 jts Class A (0 to 10% loss), 23 jts of Class B (10 to 20% loss). PU RBP and PKR in tandem. RIH and set RBP @ 2990' KB, pull up to 2973' KB, set PKR and RU swab. RIH w/sand line but did not tag fluid, pulled one run w/no recovery. Secure well and SDON. Will check for inflow overnight in the AM. (J. Ryan Davis)

November 3, 2022

Work Detail: Tbg: on a vacuum, csg 0 psi. RBP @ 2990' KB, PKR @ 2858' KB. TIH and latch RBP. Unset RBP, csg surging with 5 mins. Gas to surface in 30 mins. PUH and set RBP @ 1710'. PU 4' and set PKR @ 1696' KB. Test RBP to 500 psi- held good. Unset PKR and load the hole w/54 bbls of 2% KCl. Roll the hole and circulate for 30 mins. Pressure up csg, BOP leaking at the WH. Pull 1 jt and set the PKR at 1666' KB. Strip BOP over pipe and replace ring gasket with rubber coated ring gasket. (Note: WH has an R45 ring gasket groove for BOP and R41 ring gasket that seals against outside edge of tbg hanger). Test annulus to 500 psi- bleed off: 150 psi in 1 min, 200 in 2 mins, 250 in 2.5 mins. Pull PKR up to 1506' KB and test annulus with same bleed rate. Test down the tbg to 500 psi and held solid. Unset PKR to allow fluid to fall down to prevent freezing overnight. Secure location and SDON. (J. Ryan Davis)

November 4-7, 2022

Work Detail: Shut down due to weather and muddy conditions. (J. Ryan Davis)

11/7/2022 Notified Monica of possible casing failure and intent to run a 4-1/2" liner to repair. Verbal approval received by Monica on 11/9/2022.

Casing Integrity Issue

Philana Thompson <pthompson@merrion.bz>

Mon 11/7/2022 5:03 PM

To: Monica EMNRD Kuehling <monica.kuehling@state.nm.us>

Cc: Ryan Davis <rdavis@merrion.bz>; Brandon Powell <brandon.powell@state.nm.us>

Monica,

We moved on to the Ired State 1 Friday 10/28/2022. We ran a casing inspection log on 11/01/2022. We set a bridge plug at 2990' and tested the casing on 11/02/2022, the casing did not test. We intended to perform further investigation but had to shut down due to the weather and muddy conditions. We intend to run a 4-1/2" liner in the well and cement it back to surface. A procedure will be submitted shortly.

Ired State #1

30-039-07713

N-32-30N-70W

36.764061, -107.5977402

Philana Thompson

(505) 486-1171

HSE & Regulatory Compliance

Merrion Oil & Gas Corporation

Re: [EXTERNAL] Re: Ired State 1- Verbal Approval request

Kuehling, Monica, EMNRD <monica.kuehling@emnrn.nm.gov>

Wed 11/9/2022 1:19 PM

To: Philana Thompson <pthompson@merrion.bz>

Cc: Ryan Davis <rdavis@merrion.bz>

Verbal approval is given to run 4 1/2 liner - when submitting noi please note where holes are in your procedure i am only seeing in schematic - an mit is required after running and cementing please let me know when cementing is scheduled

Thank you

Monica Kuehling

Nmocd

November 8, 2022

Work Detail: RBP @ 1710' KB, PKR unset in the hole @ 1510' KB. RIH w/3 stands just above RBP. RU swab and check fluid level. Fluid 1000' from surface. Lost a 1000' of fluid over 4 days. Make 7 swab runs from 1700' and dwn to 1600'. Left 5 bbls on top of RBP. Latch RBP and release, csg on a strong vacuum. TOO H and lay dwn RBP. PU notch collar, SN and run 3 jts below the packer. RIH w/1 single and 48 stands, 1 - 4' pup and 1 - 6' pup. Set pkr 2 @ 2990' KB. RU Swab and check for fluid. No fluid in the hole. Secure well and SDON. (J. Ryan Davis)

November 9, 2022

Work Detail: Pkr @ 2990' KB w/3 jts and SN below. Tbg: 0 psi, Csg: 0 psi. Check fluid, no fluid in the tbg. Unseat pkr and TOO H. Csg started flowing half way out of the hole. Lay dn tail jts and stand back pkr. Intended to run a camera on wireline but the well was unloading black foamy fluid. Call for light tower and wireline truck to run temp survey with noise log. MIRU Jet West Wireline. Run temp log going in the hole. Compare temp gradient over ~300 ft intervals. Identify possible issues around 2450' - 2650' GL. Fluid level at approximately 3030' GL. Run noise log coming out of the hole from 3500' GL. 80% of the gas production is coming out of lower perms (3031'-3052' KB), small amount of gas coming in from 2950' GL (insignificant compared to PC perms). Confirm fluid level at the 3030' GL. Identify fluid influx at approx. 2670'

GL. Mist flow from 3000' to 2800' and slug flow from 2450' GL to 1000'. Come out of hole with logging tools. Shut in csg and secure location. SDON. Will set composite BP in the AM. Note: Well flowed approx. 30-35 bbls of foamy water to the rig pit from 12:30 pm to 8:30 pm. (J. Ryan Davis)

November 10, 2022

Work Detail: Csg: 70 psi. Lubricate 4-1/2" composite BP (Tupperware according to WL hand) in hole and set @ 2990' KB. Open the csg to the pit and blow dn. Csg dead in about 30 min. POOH w/ wireline while blowing down. RD wireline. PU RBP and PKR is tandem and RIH to 2900' KB. Pump 110 bbls dwn the tbg. csg had a blow the entire time but stop pumping to preserve water. Set RBP @ 2902' KB. TOOH w/ 8 stands. Last stand out was wet, FL approximately 500' from surface based on wet pipe. Load the hole with 40 bbls, this would put the fluid level @ 1000' from surface. Set PKR @ 2428' KB and test below: pressured up to 500#, 50 psi/min bleed off, pressure up to 1000#, 100 psi/min. Test backside, pumping in 0.25-0.5 bpm @ 400 psi. RIH, latch RBP and release. Secure location and SDON. (J. Ryan Davis)

November 11, 2022

Work Detail: Prep work to run liner on Monday: Csg: 0psi. TOOH w/ 2-7/8" 6.5# J55 laying dwn on float. Pipe wet on the fifth jt out of the hole. Tbg hauled to Cave by Three Rivers Trucking. ND BOP and NU top flange on WH. MIRU M&R hydrovac trucking and dig out WH from replacement tomorrow. Pull pipe and tee posts out of the way on the west side of the cellar. Leave excavated material on location behind cathodic rectifier. Had 120 bbls of fresh water delivered and placed in the frac tank. Secure location and SDON. Note: One of the floor hands had a jt of pipe fall on his foot when loading extra jts on the float. (J. Ryan Davis)

November 12, 2022

Work Detail: Prep work to run liner on Monday 11/14/2022. Csg: 0psi. MIRU Big Red Tool. ND old csg head, clean and prep 7", and weld extension. Allow to cool and NU new tbg/csg head (TCM BG-9 11 3M FLG BTM X 7 1/16 5M FLG TOP 2-1/16" SSO 4130 DD LU PSL2 PR1 API-6A). Bottom flange of the csg head double drilled for 2K conversion. RD Big Red Tool and move off location. Ran to town and pick up 4-1/2" pipe rams and csg hanger. NU BOP and change pipe rams in BOP to 4-1/2". Spotted M&R float with 71 jts of 4-1/2" 10.5# J55 STC, various pups (38', 20', 10', 5', 2'), Weatherford ACP (inflatable PKR) and stage tool. Secure location and SD for the weekend. Will be running and cementing Liner on Monday. (J. Ryan Davis)

November 15, 2022

Work Detail: MIRU San Juan Casing 11/14/22. PU float shoe, 2 jts of 4-1/2", 10.5#, J55, float collar, ACP, DV tool and 5' pup. RIH w/70 jts of 4-1/2", 10.5#, J55 csg. Land liner on mandrel in csg spool @ 2988'. ND BOP and change hanger-OK. MIRU Drake Energy Services. NU 5' sub and cementing head. Tie one 2" from csg spool to rig pit and the other 2" to the wash up pit. Pump 104 bbls of water to load the hole. Refill transport w/fresh water from frac tank. Mix and pump 20 sxs and displace w/46 bbls. Bumped plug and pressure up to inflate ACP. Had a leak on the cementing head and had to shut dwn to tighten, walked pressure up to 1500 and held for 3 mins. Cementing head still leaking. Bleed pressure off with 1 bbl back. Drop bomb and wait 15 mins. Pumped 3 bbls and never seen a pressure spike on the truck but started

circulating (Guys on the ground seen the lines jump and indications that the DV opened just prior to seeing circulation). Pumped 52 bbls and seen gray water, at 54 bbls had good cement. Circulated out 1.5 bbls of good cement. Good clean returns at 60 bbls. Refill transport with fresh water from frac tank. Mix and pump 55 bbls of 12.6 ppg Class III as lead and tail in 8 bbls of 14.6 ppg Class III cement. Wash up lines and pumps. Drop plug and displace with clean water. Had gray water at 39 bbls, good cement at 40 bbls. Bump plug at 46 bbls and pressure up to 2500 psi to close DV. Bleed pressure off with 1 bbl back. DV Tool holding. Pull 5' pup to drain water and install cementing head in hanger. RD Drake Energy Services, secure location and SDON. (J. Ryan Davis)

November 16, 2022

Work Detail: MIRU Big Red Tool on 11/15/22. ND cementing head and NU 5K tbg head. Tighten studs on the tbg spool and pump 2 sticks of packing in void and perform void test-OK. Perform void test on tbg head- OK. NU tree with 4 bolts. M&R hauled float back to Cave with 1 jt of 4-1/2", 37', 20', 10', 2' pups. SDON. (J. Ryan Davis)

November 17, 2022

Work Detail: Well had water to the surface in the 4-1/2". Annulus between 7" and 4-1/2" on a slight vacuum. Change out pipe rams to 2-3/8" and NU BOP. PU tongs (repaired) and rig up power swivel. Double S delivered 100 jts of 2-3/8", 4.7#, J55. Tally in the hole with 93 jts and tag up on DV tool at 2882' KB. Drill 10' and had aluminum, rubber and cement returns. Circulate bottoms up and hang back swivel. TOO H w/3 stands and drain equipment. SDON. M&R pulled 60 bbls from frac tank and topped off with 60 bbls from wash-up pit. CNJ delivered flowback tank for air drill out on composite and hauled back frac tank to Three Rivers Trucking. Will continue drill out tomorrow and perform MIT. (J. Ryan Davis)

November 18, 2022

Work Detail: Temp 6°. Spent 2 hours thawing out valves and pump (thought we had everything drained). Valves on pump were frozen, pulled and poured methanol. MIRU Hurricane Air Package and put on standby. Drilled down to 2922' KB with fluid, rig broke dwn (keeper on fan loosened up and fan got into radiator). Call John Duram w/NMOCD and request to perform MIT-OK'd. John Duram witnessed MIT 620# for 30 mins - Passed. Rig dwn for 5 hrs., continued drilling and drill cement to 2953' KB. Blew a hydraulic hose on swivel. Hang back swivel and pull 3 stands. Drain lines and pump. Secure location and SDON. Will continue drilling 1 more joint w/fluid and then last joint w/air tomorrow. Intend to land production tbg and put online. (J. Ryan Davis)

November 19, 2022

Work Detail: Replace hydraulic hoses on swivel. Started drilling @ 11:10 pm. Drilled cement dwn to 2984' KB. Swap over to air and bring air on @ 12:30 pm, air package would not unload the well. TOO H w/11 stands to 2302' KB. Bring Air online again @ 1:30 pm still unable to unload. Call for new air package. MIRU new air package and TIH to 2984' KB. Bring air online @ 3pm, well unloaded @ 3:25 pm. Start foam and had good foam to surface @ 3:45pm. Drill 4' of cement and drilling float shoe @ 4 pm, thru float shoe @ 5 pm. Drill 2' of cement and drilling composite BP @ 5:10 pm, thru composite @ 5:25 pm. RIH to 3078' KB and circulate for 35 mins. Dry up air and shut dwn air at 6:34 pm. TOO H w/7 jts to 2860' KB, drain lines and pump, secure location and SDON. (J. Ryan Davis)

November 20, 2022

Work Detail: Rig dwn HWS Air package and move off location. TOOH w/remainder of tbg and lay 3-7/8" bit and bit sub. PU notch collar, SN and RIH w/97 jts of 2-3/8", 4.7#, J55 tbg, land tbg @ 3019' KB. ND BOP and NU WH. Shut in tbg and csg. KCE tied in tbg and csg to flowline. Purged line and separator to the compressor. Started compressor and put to sales at 2 pm. Well flowing 110 mcf to sales. Rig dwn rig and ready everything to move on Monday.
Final Report. (J. Ryan Davis)

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 162810

CONDITIONS

Operator: MERRION OIL & GAS CORP 610 Reilly Avenue Farmington, NM 87401	OGRID: 14634
	Action Number: 162810
	Action Type: [C-103] Sub. Workover (C-103R)

CONDITIONS

Created By	Condition	Condition Date
andrew.fordyce	Accepted for record.	7/2/2025