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 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. 30-045-25999
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Sullivan A (NMSF-80384)
8. Well Number 2
9. OGRID Number 14634
10. Pool name or Wildcat Gallegos Gallup
4. Well Location Unit Letter <u>D</u> : <u>790</u> feet from the <u>North</u> line and <u>790</u> feet from the <u>West</u> line Section <u>10</u> Township <u>26N</u> Range <u>12W</u> NMPM County <u>San Juan</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6071 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 ☒ Other

2. Name of Operator
Merrion Oil & Gas Corporation

3. Address of Operator
610 Reilly Ave, Farmington, NM 87401

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: ☐

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.

Monica Kuehling with the NMOCD & Kenneth Rennick with the BLM were notified via email of a casing leak on 9/14/2022. Attempts to remediate were unsuccessful and Merrion made the decision to move forward and PA the well, the rig had to be released and moved off on 9/29/2022.

Please see the attached attempted casing repair work

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 HSE & Regulatory Compliance DATE 10/24/22

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):

9/12/2022 MIRU.

LD 1ea 6' & 1ea 8' pony rods, 3ea 3/4" rods & picked up PR. Hot oiled tbg with 30bbls of produced water, picked up rods and resealed pump, pumped 8bbls of produced water and pressure tested tbg to 1900psi, good test. TOH w/ rods and pump.

ND wellhead, NU BOP & function test. Picked up 1jt of 2-3/8" tbg and tagged fill 7'. Tally out with 2ea 10' tbg subs (1jt below surface), 164jts of 2-3/8" tbg, SN and a 14.6' cut-off MA w/ weep holes. EOT was at 5211.36'KB, SN was at 5195.66'KB, Fill is at 5218'KB.

Picked up a 3-7/8" tooth bit, 4-1/2" csg scraper, bit sub and TIH on 160jts of 2-3/8" tbg to 5050'KB. Tagged solid at approx. 3370' (previous squeeze:3089'-3637'), worked scraper through the area a few times until it cleaned up. TOH w/ 4-1/2" scraper & bit. Turned csg to sales & SDON.

9/13/2022 SICP=30psi

Make up BHA assembly (ie 4-1/2" RBP, retrieving head, 3' tbg sub, 4-1/2" AS-1X Pkr, 10' tbg sub, SN) and RIH on 158jts of 2-3/8" tbg. Set RBP at 4990'KB, pull 1 std. Set Pkr at 4931'KB, load tbg w/ 18bbls of water and tested RBP to 1000psi, good test. Unset packer and circulated csg clean with 60bbls of water. PUH, two sets and found csg good from 3603' to 4990'(RBP).

PUH to 3424', test below to 1000# (lost 33psi in 1 min, 74psi in 2min). Test backside to 500#, down to 30# in 3 min.

PUH to 3162', test below to 800# (lost 230# in 1 min). Test backside to 700# (lost 200# in 1 min).

PUH to 3036', test backside, communicated with tbg. PUH to 2972', test backside, communicated with tbg. Suspect pkr issue. PUH to 1770', test backside, communication, TOH w/ Pkr, found rubbers torn. Will replace in am. Shut in well & SDON.

9/14/2022 SICP=0psi

Make up 4-1/2" Full bore Packer w/ unloader, 10' tbg sub, SN and RIH on 96jts of 2-3/8" tbg. Est circulation w/ 2bbls of water. Set Pkr at 3035'KB. Test backside to 700#, bled off. PUH w/ pkr, set at 2788', test backside w/ same results. Dug out around wellhead to verify wellhead is not leaking, all looks ok. After multiple sets with packer, results are as follows:

Upper csg section: Surface to 2476'-Good (800#): 2476'-2508'(720#-10psi loss/min): 2508'-2540'(20psi loss/min)

Lower csg section: **Bad Spot in csg at 3353'KB**: 3320'-3385'(800#-80psi loss/min): 3385'-4990'(RBP)- Good (750#).

Middle Section: 2540' – 3320'. With packer set at 3289' and testing backside, pressure falls were similar at 11psi/min as upper csg tests. The middle section of csg looks to be ok comparing pressure readings to upper leak. Would need to run a 2nd RBP to verify 100%.

TOH. Shut in well & SDON

9/15/2022 SICP = 0 psi

RU wireline. Ran casing inspection log (40-arm caliper/metal thickness log) and CBL from 4980' KB to surface. Inspection log shows hole in csg at 3350' KB and possible a hole at 2572'KB. Cement bond looks good up to ~1000' and decent up to 600'. RD wireline.

Picked up SN and RIH to 4850'. Made 2 swab runs and recovered 17bbls of water, initial fluid level at surface, FFL calculated at 1183'.

TOH with tbg. Picked up a 4-1/2" RBP and RIH on 96jts, set RBP at 3040'KB. LD 1jt, SN at 2995'KB. Made 9 swab runs, Initial fluid level at ~1300', recovered 25 additional bbls of water, did not feel fluid level above SN on last run.

Shut in well & SDON.

9/16/2022 SICP=0psi

RIH w/ swab cups and tagged SN, very minimal if any fluid level detected. No entry from upper csg leak. RD swab tools.

Retrieved 4-1/2" RBP from 3040'. TOH. RIH with SN (open ended) to 4854'KB, loaded csg with 43bbls of water and circulated hole clean.

Dumped 4sx of sand on top of RBP at 4990'KB while trickling water down tbg, pumped an additional 5bbls of water after sand. PUH to 3370'KB. (Leak at 3350'). Re-loaded csg. Pressure test entire csg interval to 750 psi, 65 psi loss at 1 min, 55# loss after 2 minutes.

RU Drake Cementing Services. EOT at 3370' KB, Mix & pump 22 sxs of Type III cement (30.14 cu ft, 5.4 bbls, 1.37 yld, 14.6 ppg, 6.64 gps) and balanced with 11 bbls of water. PUH to 2587'. Est circulation with 2 bbls of water (Tbg disp. cales at 1.3 bbl).

Shut in csg, attempted to increase squeeze pressure, pumped a total of 3 bbls of water with max pressure of 90 psi, SD & hesitated squeeze for 30 minutes. Csg pressure at 10 psi, did not fall to vacuum. Increase pressure to 1000 psi with ½ bbl of water, pressure loss at 30 psi/minute. Bump to 1000 psi a couple times with same pressure loss. Bled off pressure slowly, pumped a total of 3.6 bbls.

EOT at 2587' (upper leak at 2504'-2572'), M&P 10 sxs of Type III cement w/1# Fluid Loss additive (13.7 cuft, 2.45 bbl, 1.37 yld, 14.6 ppg, 6.64 gps) and balanced with 9 bbls of water. PUH to 250' and loaded csg with 4 bbls of water, complete TOH. Shut in blind rams and increased csg pressure to 1000 psi, slow bleed off at ~15 psi/minute. Hesitate 15 mins, increased pressure to 1000 psi. Made a few increases & hesitations, csg holding 940 psi with very slight bleed off (~1-2 psi/minute).

Shut in well and SDFW.

9/19/2022 SICP=0psi

Make up a 3-7/8" tooth bit, bit sub and RIH on 78jts of 2-3/8" tbg.

Picked up power swivel, set up stiff lines & pump. Established circulation, RIH and tagged TOC at 2462'KB. Circulate clean & pressure test to 600psi, good test.

Drilled cement to 2560'KB (1st 2' took some time then ROP increased to approx. 1'/min). Circulated csg clean and pressure test to 672psi., good test.

Continue drilling cement and fell through at 2585'KB, circulate clean.

P/T csg interval to 600psi, good test. LD 6 single jts.

RIH w/ 14 stds and tagged TOC (lower squeeze) at 3098'KB.

Est circulation and drill cement to 3214'KB. Circulate well clean. LD 2 jts. Shut in well and SDON.

9/20/2022 SICP=0psi

Picked up 3jts with power swivel and continued drilling from 3149' to 3370'KB, fell through lower squeeze. Circulate well clean.

Perform preliminary MIT. Test to 535psi, lost 24psi 1st minute, 22psi 2nd minute, 343psi after 30 minutes, test failed. Hang back swivel. RIH with 5jts to 3540' to verify all clear. LD single and TOH with 3-7/8" bit. Picked up a 4-1/2" RBP and RIH on 109jts of 2-3/8" tbg, set RBP at 3442'KB.

TOH with retrieving head. Picked up a 4-1/2" 32-A Packer and RIH to 3410'KB.

Circulate hole and P/T BP to 1900psi, good test.

PUH & set pkr at 3310'KB (holes at 3350'). Est inj rate of 0.25bpm at 1900psi, pressure falls slowly at SD. PUH w/ pkr and set at 2964'KB, perform inj test again with same results.

Unset packer and RIH on 53 stds and a 10' tbg sub. EOT at 3352'KB.

RU Envision Products. Pumped 11bbls of fresh water, 200gal of 20% HCl acid and balanced with 11.6bbls of fresh water.

PUH w/ pkr and set at 2964'KB. Increased pressure with rig pump to 1600 psi, pressure began falling off. After a couple of hesitations to let acid soak, est. inj. rate of 1 bpm at 1100 psi with 8bbls of water. ISIP = 950 psi at SD, fell to 850psi after approx. 2 minutes. Unset packer and washed around bottom to clean up. Shut in well and SDON.

9/21/2022 SICP=0psi

EOT currently at 2964'KB.

RU pump to fresh water, dumped 4sx of sand on top of RBP at 3442'KB while trickling water down tbg.

Set packer at 3442' KB w/unloader open.

RU Drake cementing services. Loaded hole with 1bbl of water, closed unloader.

Est injection rate of 2.0bpm at 500psi. Shut down to batch cement.

M&P 115sx of Type III cement (157.55cuft, 28.13bbl, 1.37yld, 14.6ppg, 6.4gps), walked rate up to 2.7bpm at 100psi before cement entered csg leak, pressure began walking up slowly to 300psi at 1.5bpm, stopped mixing cement. Pumped remaining cement from slurry tub.

SD & washed pump & lines. Displaced cement with 13.5bbls of water (cleared Pkr by 2bbls), final rate at 1.45bpm @ 800#, SD to hesitate. Pressure to 100psi after 12 minutes. Pumped an additional 1bbl, pressure to 1440psi then began to break off, SD pump and hesitate. Pressure to 800psi after 10 minutes, increased to 1200psi and SD. Let pressure fall to 200psi, bled off slowly, minimal fluid back. Unset packer and reverse circulate clean with 20bbls of fresh water (trace of cement back). Reset packer and increased pressure to 1500psi, hesitate 10 minutes, pressure to 1200psi. Increased pressure to 1700psi, minimal bleed off, shut well in with 1697psi after 5 minutes. RD Drake cementing. (100sx behind csg, 15sx inside csg).

9/22/2022 SITP=300-400psi. SICP=0psi

Unset and TOH with 32-A Packer. Picked up a 3-7/8" tooth bit, bit sub and RIH on 100jts of 2-3/8" tbg, tagged TOC at 3120'KB, RU power swivel. Established circulation and began drilling cement. Drilled cement F/ 3120' – T/ 3280'. Cement drilled at approx. 10-12 minutes per joint for first ~90' then ROP began to decrease to ~30' per joint. Only gray water in samples, no drill cuttings. Green cement may be balling bit. Decided to circulate well clean and let cement cure. Left 70' of cement above csg leak. Pulled up hole, shut in well and SD until Monday.

9/26/2022 SITP/SICP=0psi

Break out power swivel on single (tbg full of water). TOC currently at 3280' (csg leak at 3350'). Installed TIW valve in tbg, RU 1000psi pressure chart recorder to csg. Performed preliminary csg test to 600psi (repaired a few surface leaks). Showed a slow, consistent bleed off to 540psi in 16 minutes, continued fall to 510psi in 30 minutes, bled pressure to 230psi, held 6 minutes, lost approx. 2psi on chart. Picked up power swivel and drilled cement F/ 3280' – T/ 3350', circulated csg clean. P/T csg to 600psi with chart recorder. Bled off to 540psi in 5 minutes with consistent bleed off to 420psi after 30 minutes. Hang back power swivel and TOH with 2-3/8" tbg and 3-7/8" bit. Shut in well and SDON.

9/27/2022 SITP/SICP=0psi

TIH w/ 4-1/2" 32A tension packer, 53ea 2-3/8" stands and sat down at 3348'. Set packer with 10K overpull. Packer not holding. PU 20K overpull. Packer not holding. Pull one stand to 2404'. Set packer. Packer not holding. S/I tbg/csg to PT. Test to 630 psi. leak off at 5 psi/min. POOH with packer. No issues observed with packer on surface. Close BOP. Test casing to 533 psi. Down to 451 psi in 30 minutes. Leaking off at 2.2 psi/min at end of test. RIH circulate balled unset cement, small scale chunks and sand off tool and retrieve RBP at 3440'. TIH 79 stands. Circulate sand off tool. Retrieve RBP @ 4990'. TOOH 79 stands lay down packer. Secure well. SDFD.

9/28/2022 SITP/SICP=0psi

TIH w/ 3-7/8" bit & 4-1/2" csg scraper. Ran past 3350' with no issues, ran to 4984'KB, TOH w/ scraper. Picked up a 4-1/2" CIBP and RIH on 2-3/8" tbg. Set CIBP at 4979'KB (158jts). Loaded hole with 70bbls of water, circulated 10bbls. Shut in csg and pressure tested to 400psi, CIBP holding (same bleed off as before). TOH with setting tool. Picked up a pinned, notched collar on 2-3/8" SN (1.78"ID) and RIH on 157jts of 2-3/8" tbg (LD 7jts of original tbg). Landed tubing on hanger. EOT at 4956'KB (~21' above CIBP). ND BOP, NU wellhead. RIH with original rod string and LD. Installed 2" x 2-3/8" swage and 2" ball valve on pumping tee. Shut in well and SDON.

9/29/2022 SITP/SICP=0psi

RDMOL.

Plan to return to well to P&A after approved sundries are received.

Merrion Oil & Gas Corporation Wellbore Schematic

Sullivan A No. 2

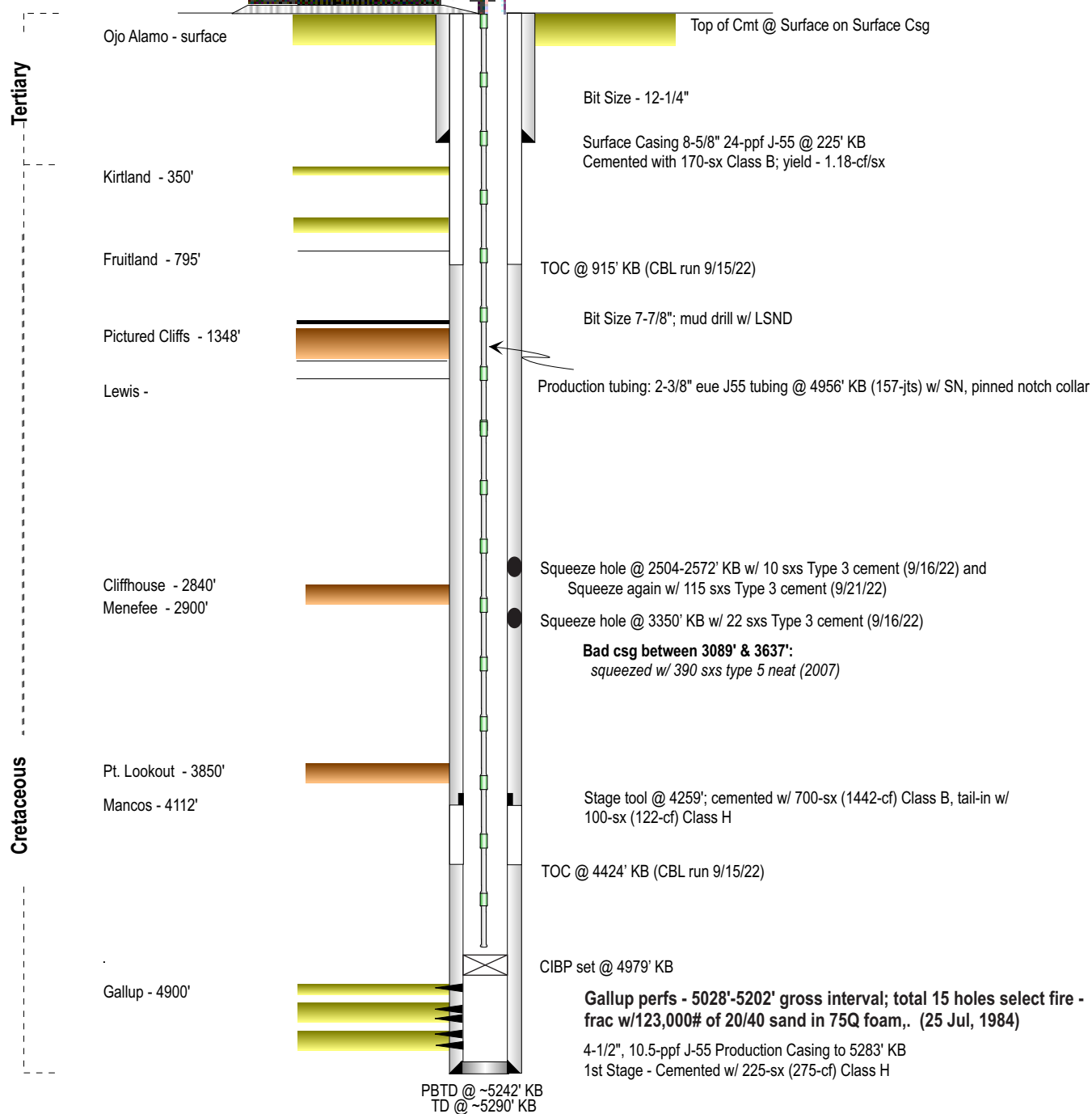
Current Wellbore Configuration

Location: 790' fnl & 790' fwl (nw nw)
Sec 10, T26N, R12W, NMPM
San Juan Co, New Mexico

Elevation: 6061' GL
6084' RKB

Modified: Sep. 29, 2022 SCM

By: TSF



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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/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 152857

CONDITIONS

Operator: MERRION OIL & GAS CORP 610 Reilly Avenue Farmington, NM 87401	OGRID: 14634
	Action Number: 152857
	Action Type: [C-103] Sub. Workover (C-103R)

CONDITIONS

Created By	Condition	Condition Date
andrew.fordyce	Accepted for record.	7/30/2025