

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

## 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

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Well ☒ Well ☐ Other

2. Name of Operator

Merrion Oil &amp; Gas Corporation (14634)

3. Address and Telephone No.

610 Reilly Avenue, Farmington, NM 87401-2634

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

990' fml & 1780' fwl (ne nw)  
Section 29, T25N, R9W

5. Lease Designation and Serial No.

SF-078309

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Federal 29 No. 1

9. API Well No.

30-045-25052

10. Field and Pool, or Exploratory Area

White Wash Mancos/Dakota

11. County or Parish, State

San Juan County,  
New Mexico

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

## TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

## TYPE OF ACTION

☐ Abandonment☐ Recompletion☐ Plugging Back☐ Casing Repair☐ Altering Casing☒ Other Add Perforations☐ Change of Plans☐ New Construction☐ Non-Routine Fracturing☐ Water Shut-Off☐ Conversion to Injection☐ Dispose Water(Note: Report results of multiple completion on  
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 complete the White Wash Mancos ~~Callup~~ Pool in the subject well as detailed in the attached procedure. Production will be commingled downhole with the Basin Dakota Pool as per approved NMOC order DHC-3246.CONDITIONS OF APPROVAL  
Adhere to previously issued stipulations.

14. I hereby certify that the foregoing is true and correct

Signed

Connie S. Dinning

Title Production Engineer

Date 3/16/2004

(This space for Federal or State office use)

Approved By

Conditions of approval, if any:

Title

Petr. Eng

Date

3/29/04

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 statement or representations as to any matter within its jurisdiction.

NMOC



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenbery**

Director

**Oil Conservation Division**

*ADMINISTRATIVE ORDER DHC-3246*

Merrion Oil & Gas  
610 Reilly Avenue  
Farmington, New Mexico 87401

Attention: Connie S. Dinning

*Federal 29 Well No. 1*

*API No. 30-045-25052*

*Unit B, Section 29, Township 25 North, Range 9 West, NMPM,*

*San Juan County, New Mexico*

*Undesignated White Wash-Mancos Dakota (Oil 64290) and*

*Basin-Dakota (Prorated Gas 71599) Pools*

Dear Ms. Dinning:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the well bore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum daily gas and oil produced from each pool in this well shall be determined using Division Rules and Regulations.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis unless changed by permission of the Aztec district office of the Division and copied to this office.

|   |         |         |
|---|---------|---------|
| Undesignated White Wash-Mancos<br>Dakota Oil Pool | Oil 86% | Gas 15% |
| Basin-Dakota Prorated Gas Pool                    | Oil 14% | Gas 85% |

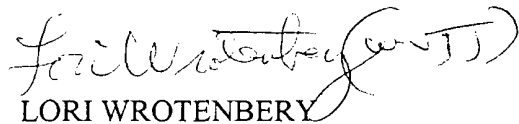
RECEIVED

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 29th day of February 2004.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
LORI WROTENBERY  
Division Director

LW/wvjj

cc: Oil Conservation Division – Aztec  
Bureau of Land Management – Farmington

**MERRION**

OIL & GAS

February 5, 2003

Mr. William Jones  
New Mexico Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

**RE: Application for Administrative Approval  
Downhole Commingling  
Basin Dakota and White Wash Mancos-<sup>Dakota</sup>~~Gallup~~ Pools  
Federal 29 No. 1  
Section 29, T25N, R9W  
San Juan County, New Mexico**

Dear Mr. Jones:

Merrion Oil & Gas (Merrion) requests administrative approval for downhole commingling of the Basin Dakota and the White Wash Mancos-<sup>Dakota</sup>~~Gallup~~ Pools in the subject wellbore. The following information is provided in support of this application.

I. History and Justification

The Federal 29 No. 1 was drilled and completed in 1981 as a Dakota gas well. It has produced approximately 863,000 MCF. It currently produces about 55 MCFD. To extend the life of the well, Merrion proposes to complete the Mancos-Gallup interval and commingle it with the Dakota formation.

II. Proposed Spacing Units

Exhibit 1 is the C-102 plat for the Basin Dakota Pool with a 320 acre spacing unit in the east half of Section 29. Exhibit 2 is the C-102 plat for the White Wash Mancos-Gallup Pool with a 40 acre spacing unit in the NW/4 NE/4 of Section 29.

III. Allocation Methodology

Exhibit 3 shows the Dakota production from the Federal 29 No. 1 while Exhibit 4 shows the production history of the Federal 28 No. 2E, an offset commingled White Wash Mancos-Gallup and Basin Dakota well (the upper zone was added in May 2003). The commingled production from the Federal 29 No. 1 should be similar to the offset well's production. The information on the C-107A application form is based on production from the Federal 28 No. 2E.

Merrion proposes to obtain stabilized production tests on each zone separately and use a fixed percentage to allocate future production between the two zones. If subsequent data indicate the need, additional testing may be done in the future to adjust the allocation percentages.

IV. Reservoir Fluid Compatibility

Water analyses are not available for wells in the immediate area. However, the waters of the Mancos and Dakota have been generally determined to be compatible across the basin based on other similar applications to the NMOCD.

V. Cross Flow Between Zones

The reservoir pressure of both zones is estimated to be 1500 psig. Therefore, crossflow is not anticipated to be a problem.

VI. Well Ownership Notification

The ownership of the two zones is identical, so no notification is necessary.

VII. Summary

Reserves for the Gallup zone are not sufficient to justify drilling a new well. Commingling the zones will maximize reserves and protect correlative rights. Therefore, we request your approval of this application.

If you have questions or need additional information, please call me at (505)327-9801 ext. 126.

Sincerely,



Connie S. Dinning  
Production Engineer

Cc: Steve Hayden, Aztec NMOCD  
BLM, Farmington Field Office

File: s/operate/workovers/huerfano area/Federal 20-1E Commingle Just.doc

District I  
1625 N. Franch Drive, Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised June 10, 2003

APPLICATION TYPE

X Single Well  
\_\_\_\_ Establish Pre-Approved Pools  
EXISTING WELLBORE  
X Yes \_\_\_\_ No

**APPLICATION FOR DOWNHOLE COMMINGLING**

Merrion Oil & Gas 610 Reilly Ave. Farmington, NM 87401  
Operator Address

Federal 29 I B, 29, 25N, 9W San Juan  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 014634 Property Code 7787 API No. 30-045-25052 Lease Type: X Federal \_\_\_\_ State \_\_\_\_ Fee

| DATA ELEMENT  | UPPER ZONE  | INTERMEDIATE ZONE   | LOWER ZONE  |
|---|---|---------------------|---|
| Pool Name   | Whitewash Mancos <del>Basin</del><br><i>Dakota</i>                                  |                     | Basin Dakota  |
| Pool Code   | 64290   |                     | 71599   |
| Top and Bottom of Pay Section<br>(Perforated or Open-Hole Interval)   | 5336' - 5859'   |                     | 6347' - 6385'                                       |
| Method of Production<br>(Flowing or Artificial Lift)  | Artificial Lift   |                     | Artificial Lift                                     |
| Bottomhole Pressure<br>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)    | Not Required  |                     | Not Required  |
| Oil Gravity or Gas BTU<br>(Degree API or Gas BTU)   | 42  |                     | 1284  |
| Producing, Shut-In or New Zone  | New Zone  |                     | Producing   |
| Date and Oil/Gas/Water Rates of Last Production.<br>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Supporting Data from Fed 28-2E<br>Date: December 2003<br><br>Rates: 10 MCFD, 3 BOPD | Date:<br><br>Rates: | Date: December 2003<br><br>Rates: 55 MCFD, 0.5 BOPD |
| Fixed Allocation Percentage<br>(Note: If allocation is based upon something other than current or past production, supporting data or   | Oil Gas<br><br>86% 15%  | Oil Gas<br><br>% %  | Oil Gas<br><br>14% 85%                              |

District I  
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811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|   |   |  |
|---|---|--|
| <sup>1</sup> API Number<br>30-045-25052 | <sup>2</sup> Pool Code<br>71599                 | <sup>3</sup> Pool Name<br>Basin Dakota |
| <sup>4</sup> Property Code<br>007786    | <sup>5</sup> Property Name<br>Federal 29        | <sup>6</sup> Well Number<br>1          |
| <sup>7</sup> OGRID No.<br>014634        | <sup>8</sup> Operator Name<br>Merrion Oil & Gas | <sup>9</sup> Elevation<br>6664' GR     |

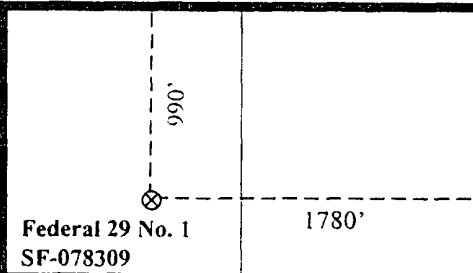
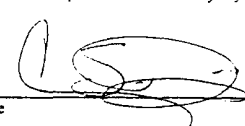
<sup>10</sup> Surface Location

|                      |               |                 |              |                  |                      |                           |                       |                        |                    |
|----------------------|---------------|-----------------|--------------|------------------|----------------------|---------------------------|-----------------------|------------------------|--------------------|
| U.L. or lot no.<br>B | Section<br>29 | Township<br>25N | Range<br>9 W | Lot Idn<br>NW NE | Feet from the<br>990 | North/South line<br>North | Feet from the<br>1780 | East/West line<br>East | County<br>San Juan |
|----------------------|---------------|-----------------|--------------|------------------|----------------------|---------------------------|-----------------------|------------------------|--------------------|

<sup>11</sup> Bottom Hole Location If Different From Surface

|                                      |                               |                                  |                         |         |               |                  |               |                |        |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|--------|
| U.L. or lot no.                      | Section                       | Township                         | Range                   | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| <sup>12</sup> Dedicated Acres<br>320 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |               |                  |               |                |        |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|               |   |   |
|---------------|---|---|
| <sup>16</sup> |  | <sup>17</sup> OPERATOR CERTIFICATION<br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i><br><br>Signature |
|               |   | Connie S. Dinning<br>Printed Name<br>Production Engineer<br>Title   |
|               |   | February 4, 2004<br>Date  |
|               |   | <sup>18</sup> SURVEYOR CERTIFICATION<br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>            |
|               |   | Date of Survey  |
|               |   | Signature and Seal of Professional Surveyor:  |
|               |   | Certificate Number  |

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State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|   |   |  |
|---|---|--|
| <sup>1</sup> API Number<br>30-045-25052 | <sup>2</sup> Pool Code<br>64290                 | <sup>3</sup> Pool Name<br>Whitewash Mancos <del>White</del> <i>Pacheco</i> |
| <sup>4</sup> Property Code<br>007786    | <sup>5</sup> Property Name<br>Federal 29        | <sup>6</sup> Well Number<br>1  |
| <sup>7</sup> OGRID No.<br>014634        | <sup>8</sup> Operator Name<br>Merrion Oil & Gas | <sup>9</sup> Elevation<br>6664' GR   |


<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| B             | 29      | 25N      | 9 W   | NW NE   | 990           | North            | 1780          | East           | San Juan |

<sup>11</sup> Bottom Hole Location If Different From Surface

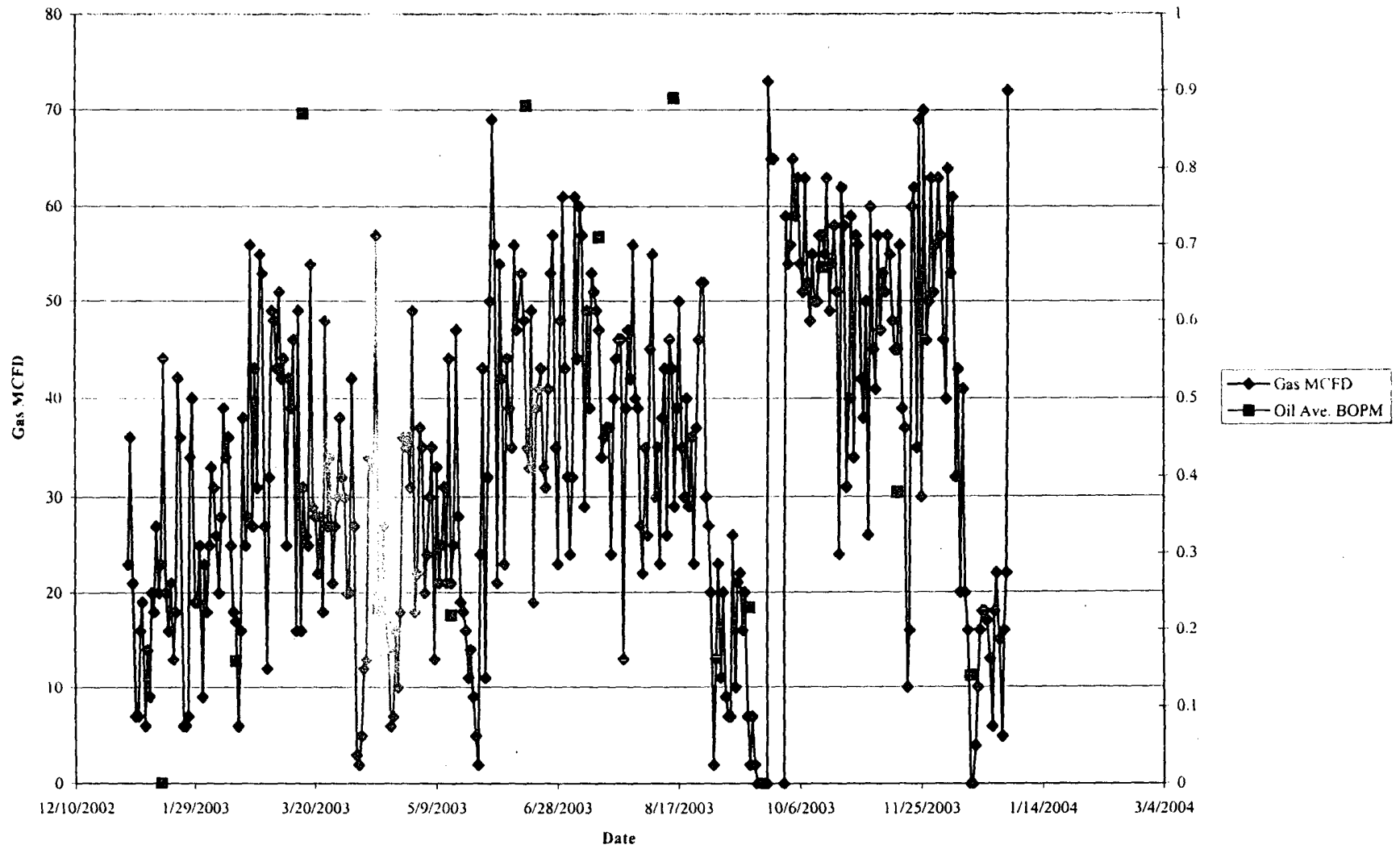
| UL or lot no.                       | Section                       | Township                         | Range                   | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|--------|
| <sup>12</sup> Dedicated Acres<br>40 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |               |                  |               |                |        |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A  
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|    |  |   |       |   |
|----|--|---|-------|---|
| 16 |  | <div style="border: 1px solid black; padding: 5px; text-align: center;">990'<br/>⊗<br/>Federal 29 No. 1<br/>SF-078309</div> | 1780' | <p><sup>17</sup> OPERATOR CERTIFICATION<br/><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature </p> <p><b>Connie S. Dinning</b><br/>Printed Name</p> <p><b>Production Engineer</b><br/>Title</p> <p><b>February 4, 2004</b><br/>Date</p> |
|    |  |   |       | <p><sup>18</sup> SURVEYOR CERTIFICATION<br/><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>  |



# Federal 29 No. 1 Production



# Federal 28 No. 2E Production

