

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)

1830' fml &amp; 1840' fel (sw ne)

Section 20, T25N, R9W

5. Lease Designation and Serial No.

SF-078530

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Federal 20 No. 1E

9. API Well No.

30-045-26999-26204

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

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ 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-~~Gallup~~ Pool in the subject well as detailed in the attached procedure. Production will be commingled downhole with the Basin Dakota Pool as per approved NMOCD order DHC-3248.

CONDITIONS OF APPROVAL  
Adhere to previously issued stipulations.

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

Signed

Connie S. Dimming

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.

NMOCD



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenberg**

Director

**Oil Conservation Division**

*ADMINISTRATIVE ORDER DHC-3248*

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

Attention: Connie S. Dinning

*Federal 20 Well No. 1E*

*API No. 30-045-26204*

*Unit G, Section 20, 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 Dakota Oil Pool	Oil 100%	Gas 20%
Basin-Dakota Prorated Gas Pool	Oil 0%	Gas 80%

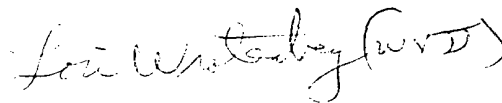
**RECEIVED**

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

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery (wvd)".

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-~~Gallup~~ Pools  
Federal 20 No. 1E  
Section 20, T25N, R9W  
San Juan County, New Mexico** *OK*

Dear Mr. Jones:

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

**I. History and Justification**

The Federal 20 No. 1E was drilled and completed in 1985 as a Dakota gas well. It has produced approximately 523,000 MCF. It currently produces about 40 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 20. Exhibit 2 is the C-102 plat for the White Wash Mancos-Gallup Pool with a 40 acre spacing unit in the SW/4 NE/4 of Section 20.

**III. Allocation Methodology**

Exhibit 3 shows the Dakota production from the Federal 20 No. 1E 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 20 No. 1E 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. French Drive, Hobbs, NM 88240

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

**District III**  
1000 Rio Brazos Road, Artesia, 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

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

**APPLICATION FOR DOWNHOLE COMMINGLING**

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

Federal 20 1E G, 20, 25N, 9W San Juan  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 014634 Property Code 7783 API No. 30 045-26204 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Whitewash Mancos <del>Cotton</del> <b>OK</b>		Basin Dakota
Pool Code	64290		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5413' - 5938'		6437' - 6456'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (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 (Degree API or Gas BTU)	42		1244
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (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 Date: December 2003  Rates: 10 MCFD, 3 BOPD	Date:  Rates:	Date: December 2003  Rates: 40 MCFD, 0 BOPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or	Oil Gas 100.0% 0.0%	Oil Gas 0% 0%	Oil Gas 0.0% 0.0%

**District I**  
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

**District II**  
811 South First, Artesia, NM 88210

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

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

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

**District IV**  
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-045-26204	<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name Basin Dakota
<sup>4</sup> Property Code 007783	<sup>5</sup> Property Name Federal 20	<sup>6</sup> Well Number 1E
<sup>7</sup> OGRID No. 014634	<sup>8</sup> Operator Name Merrion Oil & Gas	<sup>9</sup> Elevation 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
G	20	25N	9 W	SW NE	1830	North	1840	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 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

16			<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature</p> <p><b>Connie S. Dinning</b> Printed Name</p> <p><b>Production Engineer</b> Title</p> <p><b>February 4, 2004</b> Date</p>
			<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

District I  
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

District II  
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

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

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

District IV  
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-26204		<sup>2</sup> Pool Code 64290		<sup>3</sup> Pool Name White Wash Mancos- <del>Call</del> <i>Dalya</i>	
<sup>4</sup> Property Code 007783		<sup>5</sup> Property Name Federal 20			<sup>6</sup> Well Number 1E
<sup>7</sup> OGRID No. 014634		<sup>8</sup> Operator Name Merion Oil & Gas			<sup>9</sup> Elevation 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
G	20	25N	9 W	SW NE	1830	North	1840	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

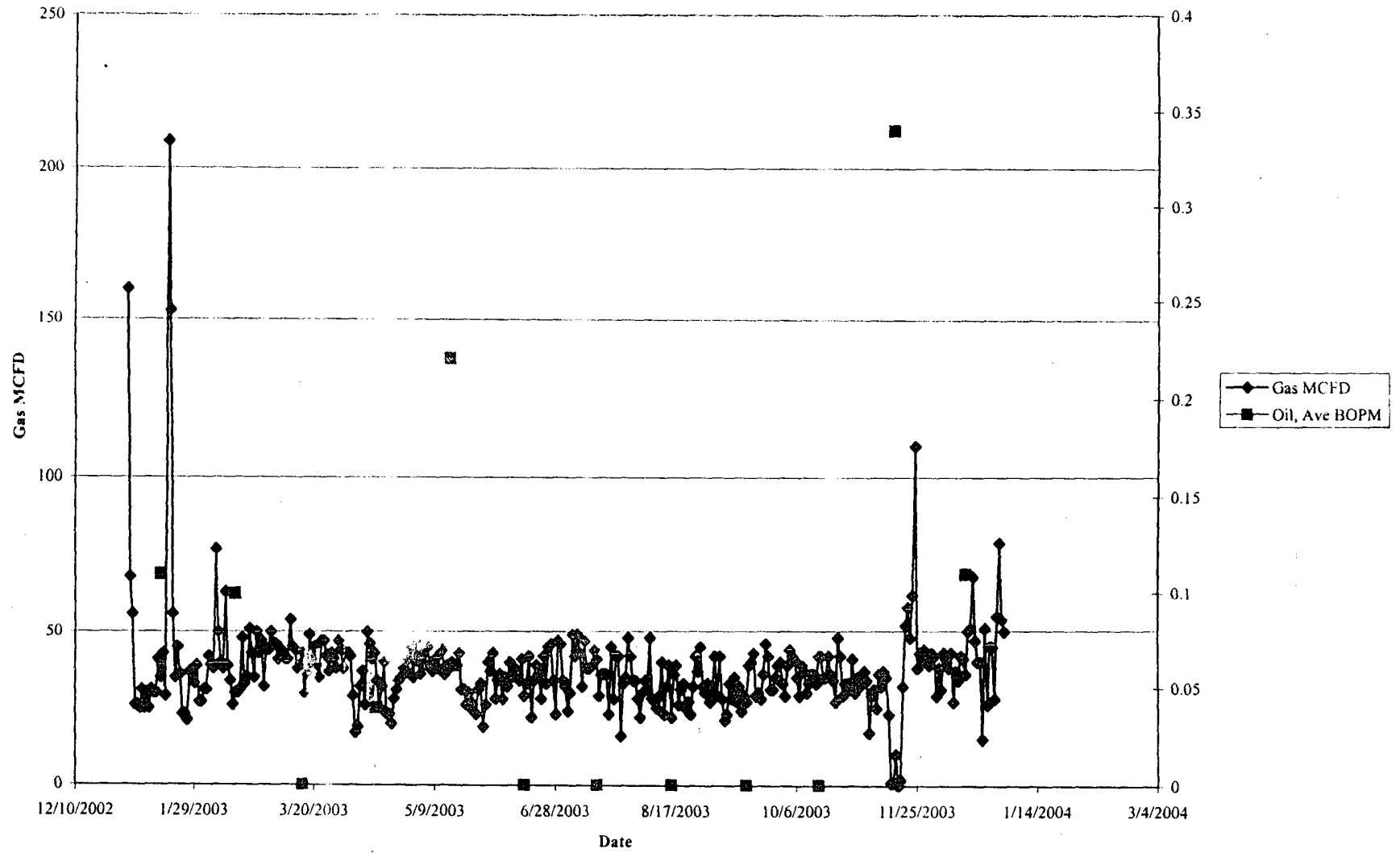
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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

<p><sup>16</sup></p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i></p> <p>Signature</p> <p><b>Connie S. Dinning</b></p> <p>Printed Name</p> <p><b>Production Engineer</b></p> <p>Title</p> <p>2004</p> <p>Date</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>



# Federal 20 No. 1E Production



# Federal 28 No. 2E Production

