

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Ave., Artesia, NM 88210

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

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

State of New Mexico  
Energy, Minerals and Natural Resources

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

Form C-103  
May 27, 2004

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. <b>30-045-34372</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator <b>MERRION OIL &amp; GAS CORPORATION</b>		6. State Oil & Gas Lease No.
3. Address of Operator <b>610 REILLY AVENUE, FARMINGTON, NM 87401</b>		7. Lease Name or Unit Agreement Name <b>FARMINGTON C COM</b>
4. Well Location Unit Letter <u>K</u> : <u>1610</u> feet from the <u>South</u> line and <u>1452</u> feet from the <u>West</u> line Section <u>15</u> Township <u>29N</u> Range <u>13W</u> NMPM San Juan County		8. Well Number <b>1Z</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>5286'</u>		9. OGRID Number <b>014634</b>
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat <b>BASIN DAKOTA</b>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

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 ☐

OTHER: ☐

**SUBSEQUENT REPORT OF:**

REMEDIAL WORK ☐ ALTERING CASING ☐  
 COMMENCE DRILLING OPNS. ☐ P AND A ☐  
 CASING/CEMENT JOB ☐

OTHER: Completion ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

**11/1/07** Road rig from Hurricane yard. MOL & RU. Spot tubing trailer, pump and pit. ND WH & NU BOP. PU 3-7/8" bit and TIH on 2-3/8" tubing. PU tubing off float (tally and rabbit on way in). Tag up at 4264'. PU power swivel. RU pump and lines. Break circulation w/ 2% KCl water. Drill out cement down to DV tool at 4308'. Drill out DV tool in 1 hr 40 min. Continue TIH to ~5300. SWI, secure location and turn over to night watch.

**11/2/07** Finish PU tubing. Tag up at 6818' KB. PU power swivel and clean out/drill out cement to PBTD at 6918'. Circulate hole clean w/ 2% KCL. Lay down power swivel and TOH. PU 4-1/2" casing scraper and TIH to PBTD. TOH (laying down tubing onto trailer). ND BOP and NU WH. Will RD rig and move to Farmington C Com #1E on Monday morning. SWI, secure location and turn over to night watch.

**11/5/07** RD rig and equipment. RU Schlumberger Wireline Service. RIH with RST/Gamma Ray/CCL log. Run log from PBTD (6918' MD) to 4915' MD. RD SWS. Send data to Denver for processing. Shut well in. Note: Set frac tanks and start filling w/ 2% KCl water.

\*\*\* CONTINUED NEXT PAGE \*\*\*

RCVD DEC 24 '07  
OIL CONS. DIV.  
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Drilling & Production Manager DATE 12/20/2007

Type or print name Steven S. Dunn E-mail address: sdunn@merrion.bz Telephone No. 505-324-5300

**For State Use Only**

APPROVED BY: Felix G. Roberts TITLE Deputy Oil & Gas Inspector, District #3 DATE 12/27/07  
Conditions of Approval (if any):

**PAGE TWO**  
**ATTACHMENT TO FORM C-103**

**11/26/07** WSI set 4-1/2", 5K frac valve and pressure tested casing and valve to 4000 psi – held OK. RU Weatherford and RIH w/ GR/CCI and tie in w/ Schlumberger RST logs ran 11/5/07. RIH w/ 3-1/8" casing gun and perforate the Dakota formation 2 spf at the following depths: 6676' – 6738', total of 124 (EHD: 0.34") holes. RD and release Weatherford. RU Key Pressure Pumping Services and hold safety meeting. Pressure test pumps and lines to 4,500 psi. Load and break down perforations w/ 2% KCL water at 2,222 psi while pumping 2.5 bpm. Pumped 1,000 gal of 15 % HCL w/ inhibitors and 180 ea. 1.3 S.G. "bio" ball sealers. Pumped acid away at 1,520 psi at 7.0 bpm. Good ball action with pressure increasing to 1,700 psi but did not get ball off. ISDP: 1,319 psi. Bleed off pressure and SWI. Secure location and SDON. Frac scheduled for tomorrow (11/27/07).

**11/27/07** RU Key Pressure Pumping Services. Hold safety meeting and pressure test pumps and lines to 5200 psi. Pumped 36,670 gal pad of 20# x-link gel. Frac well w/ 260,000# of 20/40 Super LC (resin coated) sand in 20# x-link gel. Pumped sand in 1, 2, 3 & 4 ppg stages at 35 bpm. AIR: 36.0 bpm, MIR: 36.3 bpm, ATP: 2,563 psi, MTP: 3,620 psi. Job complete at 12:50 hrs. 11/27/07. Total fluid pumped: 3,415 bbls. ISDP: 2,280 psi, 5 min: 1,649 psi, 10 min: 1,461 psi, 15 min: 1,345 psi. Nolte plot was had increased dramatically during pad then went negative throughout 1 and 2 ppg stages then slowly increased through remaining sand stages. Final frac gradient was 0.77 psi/ft. SWI (w/ 1321 psi) & RD KPPS. RU flowback lines and open well thru 1/4" choke at 16:00 hrs 11/27/07. Initial pressure was 380 psi. Well flowing back steady stream of broken gel. Secure location and turn over to night watch.

**11/28/07** Pressure decreased to 0 psi but kept flowing broken gel (small stream) until 06:30 hrs. Recovered 60 bbls of broken gel. Still flowing small stream of broken gel at 06:30 hrs. SWI. RU Weatherford Wireline and hold safety meeting. RIH w/ composite BP. Hit sand bridge at 6480'. POOH w/ BP. RD and release Weatherford. Finish filling tanks w/ 2% KCl and unload sand. Cancel frac (that was scheduled for tomorrow 11/29/07). Will re-schedule as soon as well is cleaned out. Left well SI. If casing pressure builds, will attempt to continue flowback.

**12/3/07** MIRU Hurricane Well Service Rig No. 6 on 12/3/07. Spot tubing float, pump & pit. Slight blow on well, non-recordable pressure. ND frac valve on NU BOP. Tallied and TIH with a 3-7/8" bit & bit sub on 2-3/8" tubing. Tagged fill at 6470'KB. RU pump & lines. Reverse circulate clean to 6533'KB. Well starting to unload fluids from tubing when we shut down pump. Let tubing die and pull up hole 6 joints. Ran out of daylight. Installed TIW valve and shut in well. We plan to blow well down, pull up hole, install string float in tubing and continue cleaning out to PBTD conventionally tomorrow. Turn over to night watchman.

**12/4/07** Installed string float in tubing and circulated hole conventionally. Cleaned out frac sand to PBTD at 6918'KB. Circulated hole approx. 2hrs from bottom until returns were free of sand. Pull up hole to 6515', installed TIW valve and SDON. Turn over to night watchman.

**12/5/07** Casing and tubing pressure at 0 psi upon arrival. TIH and tagged PBTD at 6918'KB (no fill). Begin laying down tubing on float, 80 jts out and casing began to blow hard. Rigged up pump on tubing and try to re-fill hole to kill well. Well would unload any fluid pumped. Let well blow to tank for approx. 1.5hrs, pressure had fallen from 1800psi to 250psi. Circulated fluids with pump via tubing and choked casing, loaded hole and circulated out trapped gas, well was dead. Stand back remaining 134jts in derrick. Rigged up Weatherford Wireline and set a composite BP at 6585'KB, casing had built back to approx. 1100psi while setting BP. Blew down well in 1hr, well still venting slightly, possible trapped gas. TIH with 134jts from derrick and began laying down on float. Ran out of daylight. Shut in well, installed TIW valve and SDON. Turn over to night watchman.

**12/6/07** Casing pressure at 300 psi upon arrival, blow down, possible trapped gas. Completed laying down 2-3/8" tubing. ND BOP and NU frac valve. Rigged up PACE, loaded casing with 60bbls of 2% KCl water and pressure tested casing, BP and frac valve to 4000psi, held 10min, good test. Rigged up Weatherford Wireline, RIH w/ 3-1/8" casing gun and perforate the Graneros formation 3 spf at the following depths: 6553' – 6564', total of 33 (EHD: 0.43") holes. RD and release Weatherford. Rigged down Hurricane rig #6.

**12/10/07** RU Key Pressure Pumping Services. Hold safety meeting and pressure test pumps and lines to 5200 psi. Pumped 7,335 gal pad of 20# x-link gel. Frac well w/ 55,000# of 20/40 Super LC (resin coated) sand in 20# x-link gel. Pumped sand in 1, 2, 3 & 4 ppg stages at 30 bpm. AIR: 29.4 bpm, MIR: 30.4 bpm, ATP: 2,883 psi, MTP: 3,561 psi. Job complete at 10:00 hrs. 12/10/07. Total fluid pumped: 812 bbls. ISDP: 1,960 psi, 5 min: 1,358 psi, 10 min: 1,236 psi, 15 min: 1,286 psi. Nolte plot was flat or slightly negative throughout job. Final frac gradient was 0.733 psi/ft. SWI (w/ 1,200 psi) & RD KPPS. RU flowback lines and open well thru 1/4" choke at 13:00 hrs 12/10/07. Initial pressure was 500 psi. Well flowing back small stream of broken gel, pressure down to 0 psi in 30 min. Well started slowly flowing back more fluid (broken gel), well making ~ 10 – 15 bwph and pressure up to 60 psi. Secure location and turn over to night watch.

**12/11/07** Well continued to flow but slowly decreased until logging off at ~ 23:00 hrs. Recovered ~ 88 bbls of broken gel since starting flow back. Had flow back tank drained. Left well open to flowback tank thru 1/4" choke. Well is currently dead. Waiting for rig.

**12/12/07** Well started flowing during the night. Night watch shut well in, making heavy gas. Found well in morning w/ 1000 psi. Open to flowback tank thru 1/4" choke. Well made additional 145 bbls of fluid (mostly oil) to flowback tank. After 4 hrs pressure stabilized at 550 psi. SWI. WO Rig.

**12/13/07** MIRU Hurricane #6. Rigged up Jet West and set a composite BP at 6350'KB. Blow down casing and ND frac valve and NU BOP (swapped out the 3000psi BOP with a 5000psi BOP). Picked up a 3-7/8" cone bit and bit sub and TIH on 2-3/8" tubing to approx. 5500'KB. Load casing and test BOP with rig pump. Ran out of daylight. SWI and SDON. Turn over to nightwatch.

**12/15/07** Complete TIH to 6350' and tagged plug. Circulated oil out of hole into flowback tank (approx. 40bbls). Drilled out composite BP(reversed) and well started blowing, circulated gas from hole. Installed a string float in tubing and pushed top plug to next composite plug set at 6585'KB. Drilled remainder of top plug and composite BP at 6585'. Did not get gas kick after drilling bottom plug as expected. Continued in hole and tagged fill at 6890'KB. Cleaned out to PBTD at 6918'KB. Circulated hole with water from PBTD and well kicked bringing up a slug of oil. Circulated well for approx. 1hr longer with no additional kicks. Pulled up hole above perfs to ~6350'KB. Well was static when we shut down. Opened well to flowback tank via 1/4" choke. Shut down until 12/17/07. Turn over to night watch.

**12/17/07** Turned casing to flowback tank and tried to blow down casing, let casing fall to 600psi and pumped 20bbls of water down tubing. Casing still blowing, tubing dead. TIH and tag PBTD, no fill. TOO H with 2-3/8" tubing, bit sub and bit, had to kill well with 80bbls of 2% KCl water during trip. Picked up an expendable check and TIH on 206 joints (6667.74') of 2-3/8", J-55, 4.7#, EUE, 8rd tubing. Casing began to unload and blow hard again. Landed tubing at 6680.21'KBMD, seating nipple is at 6679'KBMD. Shut in casing. ND BOP and NU wellhead. Rigged up pump and loaded tubing with 15bbl of produced wafer and pumped out expendable check. Casing pressure at 1050psi, tubing had a slight blow. Equalized casing and tubing. Turned over to production personnel. Rigged down Hurricane #6. Final report.