

Submit 3 Copies To Appropriate District
Office
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

Form C-103
May 27, 2004

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

| |
|---|
| WELL API NO. 30-045-34688 306 |
| 5. Indicate Type of Lease Federal STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. Fed SF-078899 |
| 7. Lease Name or Unit Agreement Name Blackrock C |
| 8. Well Number 1E |
| 9. OGRID Number 014634 |
| 10. Pool name or Wildcat Basin Dakota/Gallegos Gallup |

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

4. Well Location

Unit Letter F : 760 feet from the south line and 1618 feet from the west line
Section 21 Township 26N Range 11W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6208' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

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: ☐

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.

Merrion Oil and Gas proposes to downhole commingle the production from the Basin Dakota and the Gallegos Gallup in accordance with the attached support documentation. These pools are pre-approved for DHC by order #R-11363

RCVD JUN 10 '08
OIL CONS. DIV.
DIST. 3

DHC 2858 AZ

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 Investment Engineer DATE 5/21/08

Type or print name Connie Dinning E-mail address: cdinning@merrion.bz

Telephone No. 505.324.5326

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUN 10 2008

Conditions of Approval (if any):

**ATTACHMENT TO C-103
BLACKROCK C NO. 1E DOWNHOLE COMMINGLE
FOR PREAPPROVED POOLS
BASIN DAKOTA (71599) AND GALLEGOS GALLUP (26980)**

This supplemental information is attached to the C-103 to commingle the subject well in the Basin Dakota and Gallegos Gallup pools.

- i. The Basin Dakota and Gallegos Gallup have been pre-approved for commingling by Order No. R-11363.
- ii. Pool Names: Basin Dakota and Gallegos Gallup
- iii. The Dakota perms are from 5957' – 6026', at various depths. The Gallup perms are from 4966' – 5215', at various depths.
- iv. Production allocation will be a percentage of production from each formation based on well test data summarized below:

| Pool | Gas MCFD | % Gas | Oil BOPD | % Oil | Water BWPD | % Water |
|--------------------|-------------|-------|-------------|-------|---------------|------------|
| Gallegos Gallup | 202 | 48% | 0 | 50% | 222 | 44% |
| Basin Dakota | 222 | 52% | 0 | 50% | 288 | 56% |
| | 424 | | 0 | | 510 | |

- v. The commingling will increase, not reduce, the value of the remaining production because the economics of drilling this well based on either formation alone would have been marginal. None of the reserves from either formation would have been recovered at this time without the ability to commingle.
- vi. Ownership of the Dakota and Gallup are identical.
- vii. A copy of this application has been sent to the Bureau of Land Management attached to a sundry notice. There are no state lands in this spacing unit.

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State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|--|--|
| ¹ API Number 30-045-34306 | ² Pool Code 26980 | ³ Pool Name Gallegos Gallup |
| ⁴ Property Code 030962 | ⁵ Property Name Blackrock C | |
| ⁷ OGRID No. 14634 | ⁸ Operator Name Merrion Oil & Gas | |
| | | ⁶ Well Number 1E |
| | | ⁹ Elevation 6208' |



¹⁰ Surface Location

| | | | | | | | | | |
|---------------------------|----------------------|------------------------|---------------------|------------------------|------------------------------|----------------------------------|-------------------------------|-------------------------------|---------------------------|
| UL or lot no. N | Section 21 | Township 26N | Range 11W | Lot Idn sesw | Feet from the 760' | North/South line south | Feet from the 1618' | East/West line west | County San Juan |
|---------------------------|----------------------|------------------------|---------------------|------------------------|------------------------------|----------------------------------|-------------------------------|-------------------------------|---------------------------|

¹¹ 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 |
| ¹² Dedicated Acres 320 Ac | ¹³ Joint or Infill | ¹⁴ Consolidation Code | | ¹⁵ 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 Blackrock C No. 1E | | | | ¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>  Signature Connie S. Dinning Printed Name Production Engineer/cdinning@merrion.bz Title and E-mail Address May 19, 2008 Date |
| | | | | |
| | | | | |
| | | | | |
| | | | | ¹⁸ SURVEYOR CERTIFICATION <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> <i>Original by Gerald Middleton</i> Date of Survey Signature and Seal of Professional Surveyor 6844 Certificate Number |
| | | | | |
| | | | | |
| 1618'  760' | | | | |