

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., 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

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Merrion Oil & Gas Corporation  
OPERATOR ADDRESS: 610 Reilly Ave Farmington, NM 87401  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
(4) Measurement type:  Metering  Other (Specify)  
(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code.  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

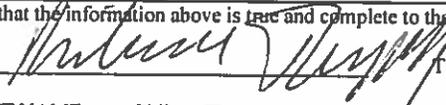
(1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

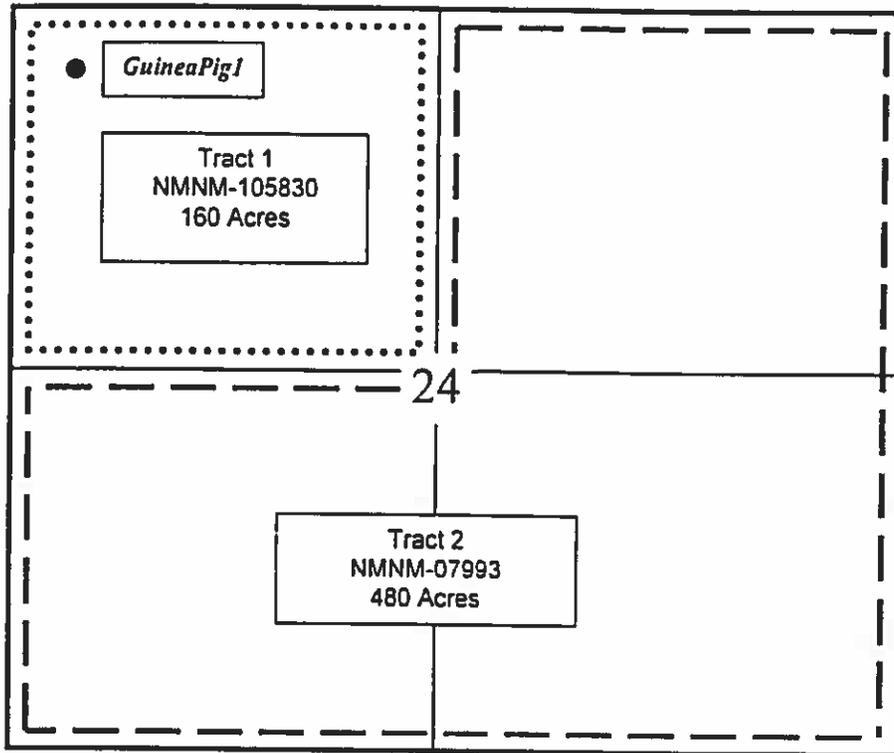
SIGNATURE:  TITLE: HSE & Regulatory Compliance DATE: 3/23/2022

TYPE OR PRINT NAME Philana Thompson TELEPHONE NO.: 505-486-1171

E-MAIL ADDRESS: pthompson@merrion.bz

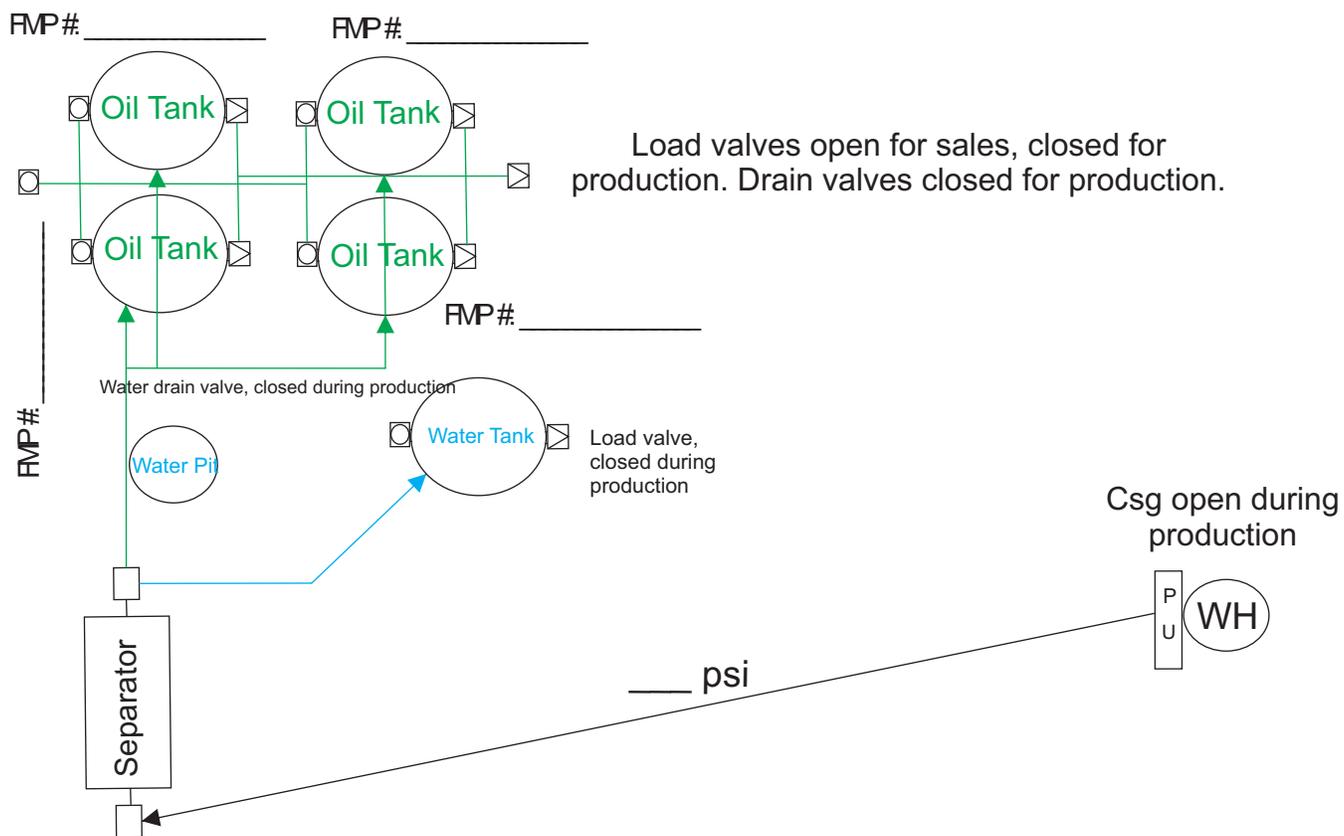
Merrion Oil & Gas proposes to install a pipeline from the Guinea Pig #1 to tie into the midstream line, which is off lease from the location. This is to comply with the NMOCD Waste Rule. The Guinea Pig #1 will be the only well utilizing the line.

**EXHIBIT "A"**  
Plat of communitized area covering:  
All of Section 24  
Township 26 North, Range 2 West, NMPM  
Rio Arriba County, New Mexico  
Guinea Pig 1  
Gavilan Mancos Formation



Merrion Oil and Gas Location Diagram			
API: 30-039-27247	<b>Guinea Pig 1</b>		Lease: NMNM-105830
Sec. 24 T26N R02W	812 FNL 818 FWL	Lat: 36.4754486	Long: -107.0078201
NW NW	State: NM	County: Rio Arriba	GL 7482
By: Landon Lovesee	Date: 2017/07/31	Updated: 2021-3-3 Philana	

Date: \_\_\_\_\_  
 By: \_\_\_\_\_  
 Results: \_\_\_\_\_



KEY	
Production	—
Gas	— (red)
Oil	— (green)
Water	— (blue)
Out of service	- - - - -

## RIGHT OF WAY AND EASEMENT FOR PIPELINE

STATE OF NEW MEXICO

COUNTY OF RIO ARRIBA

KNOW ALL MEN BY THESE PRESENTS, that the undersigned **STEVE L. STEVENSON AND EUNICE STEVENSON**, husband and wife, hereinafter referred to as Grantor, for and in consideration of the sum of TEN DOLLARS (\$10.00) AND OTHER CONSIDERATIONS, to the Grantor in hand paid by **MERRION OIL & GAS CORPORATION**, a New Mexico corporation, hereinafter referred to as Grantee, the receipt of which is hereby acknowledged, does hereby grant, sell and convey unto said Grantee, a right of way and easement to locate, survey a route, construct, entrench, maintain and operate a pipeline with appurtenances thereto limited to valves and metering equipment, and in connection therewith, a road (said pipeline, appurtenances, valves, metering equipment, and road being hereinafter sometimes collectively called the "facilities") over, under and through the land hereinafter described in the attached **Exhibit "A"**, approximately along the line designated by the survey made by Grantee, through and over the said land on a right of way thirty (30) feet in width during construction and then fifteen (15) feet in width when completed. Grantee will specifically not have the right to install a compressor or a cathodic protection anode bed or any other ancillary facility on the right of way. The road shall run parallel to the pipeline from the property line to the El Paso gathering pipeline, and no other road will be used by Grantee for any other purpose. Any equipment used to construct the pipeline will be steam cleaned for noxious weed seed before arriving on property. Grantor will have the option to reseed the right of way, or to have the Grantee reseed the right of way with certified noxious weed free seed at Grantees expense. Grantee agrees to allow Grantor at his sole cost and risk to install a phone line in entire ditch out to the highway. A map of the right of way survey is attached as **Exhibit "B"**.

TO HAVE AND TO HOLD the above described rights and easements, together with all rights necessary to operate and maintain the facilities over the right of way hereby granted unto the said Grantee, and the Grantee may assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant, and such rights and easements shall be a lease running with the land and be binding upon Grantor, his heirs, legal representatives and successors in title.

This right of way and easement shall carry with it the right of ingress and egress to and from, and access on and along said right of way, with the right to use the existing road for the purpose of constructing, inspecting, repairing and maintaining the facilities and the removal or replacement of same at will, either in whole or in part, and the replacement of said pipeline with either like or different size pipe.

The term of this right of way and easement for pipeline shall be ten years, and shall be renewable in ten year increments upon payment at that time by the Grantee of \$1 per foot of pipeline (1,838.71 linear feet referenced in attached Exhibit B). This value shall be inflated to "then current dollars" at the rate of inflation (COPAS inflator). However, if production ceases and the producing well or wells are plugged this agreement shall be terminated.

*equivalent value on pipe. JMM S.S.*

Grantor reserves the right to the use and enjoyment of said property except for the purpose herein granted, but such use shall not hinder, conflict or interfere with Grantee's surface or subsurface right hereunder or disturb its facilities and no reservoir, excavation, obstruction or structure shall be constructed, created or maintained on, over, or within said right of way without Grantee's prior written consent.

Grantee shall, during initial construction, bury said pipeline at 40" depth.

Grantor represents and warrants that he is the owner in fee simple of the land hereinafter described in the attached **Exhibit "A"**, subject only to outstanding mortgages if any, now of record in said county, and in the event of default by Grantor, Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any mortgage, tax, or other lien on said land and thereupon be subrogated to such lien and rights incident thereto.

It is hereby understood that the parties securing this grant in behalf of the Grantee are without authority to make any covenant or agreement not herein expressed.

B: 538 P: 5580 Doc Id: 2015-05580 Christopher  
 11/23/2015 11:52 AM  
 Receipt #: 27729 Page 1 of 6  
 Moises A. Morales, Jr., County Clerk & Recorder Rio Arriba, New Mexico

Pa



Grantee, for itself, its successors, assigns, agents and contractors and employees, releases Grantor, his partners, managers, agents and employees from all claims of every kind and character arising out of or in anywise incident to the construction of the pipeline, with appurtenances thereto, over and through the hereinafter described property. Grantor agrees to promptly give Grantee or its successors notice of any claim or demand which, in its opinion, is subject to the terms of this agreement.

This agreement shall be governed by the laws of the State of New Mexico.

This agreement shall be binding on all successors and assigns.

EXECUTED AND EFFECTIVE THIS 23 DAY OF July, 2003.

Merrion Oil & Gas Corporation  
610 Reilly Avenue  
Farmington, NM 87401

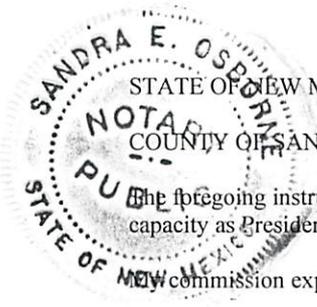
Steve L. and Eunice Stevenson  
HCR 74 Box 80  
Lindrith, NM 87029

Steve L. Stevenson  
Steve L. Stevenson

By: T. Greg Merrion  
T. Greg Merrion,  
President

Eunice Stevenson  
Eunice Stevenson

ACKNOWLEDGEMENTS



STATE OF NEW MEXICO )  
NOTARY PUBLIC )ss  
COUNTY OF SAN JUAN )

The foregoing instrument was acknowledged before me this 23<sup>rd</sup> day of July, 2003, by T. Greg Merrion, in his capacity as President of Merrion Oil & Gas Corporation, on behalf of said corporation.

My commission expires: 8/30/03  
Sandra E. Osborne  
Notary Public



STATE OF New Mexico )  
NOTARY PUBLIC )ss  
COUNTY OF San Juan )

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Steve L. Stevenson and Eunice Stevenson, husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23<sup>rd</sup> day of July, 2003.  
My commission expires: 8/30/03  
Sandra E. Osborne  
Notary Public

B: 538 P: 5580 Doc Id: 2015-05580 Christopher  
11/23/2015 11:52 AM  
Receipt # 27729 Page 2 of 6  
Moises A. Morales, Jr., County Clerk & Recorder Rio Arriba, New Mexico



STATE OF NEW JERSEY  
PUBLIC DEFENDER  
OFFICE OF THE PUBLIC DEFENDER  
1000 BRIDGE STREET  
TRENTON, NJ 08646  
TEL: 609-981-1234

STATE OF NEW JERSEY  
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1000 BRIDGE STREET  
TRENTON, NJ 08646  
TEL: 609-981-1234

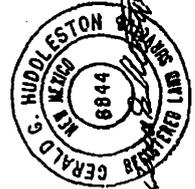
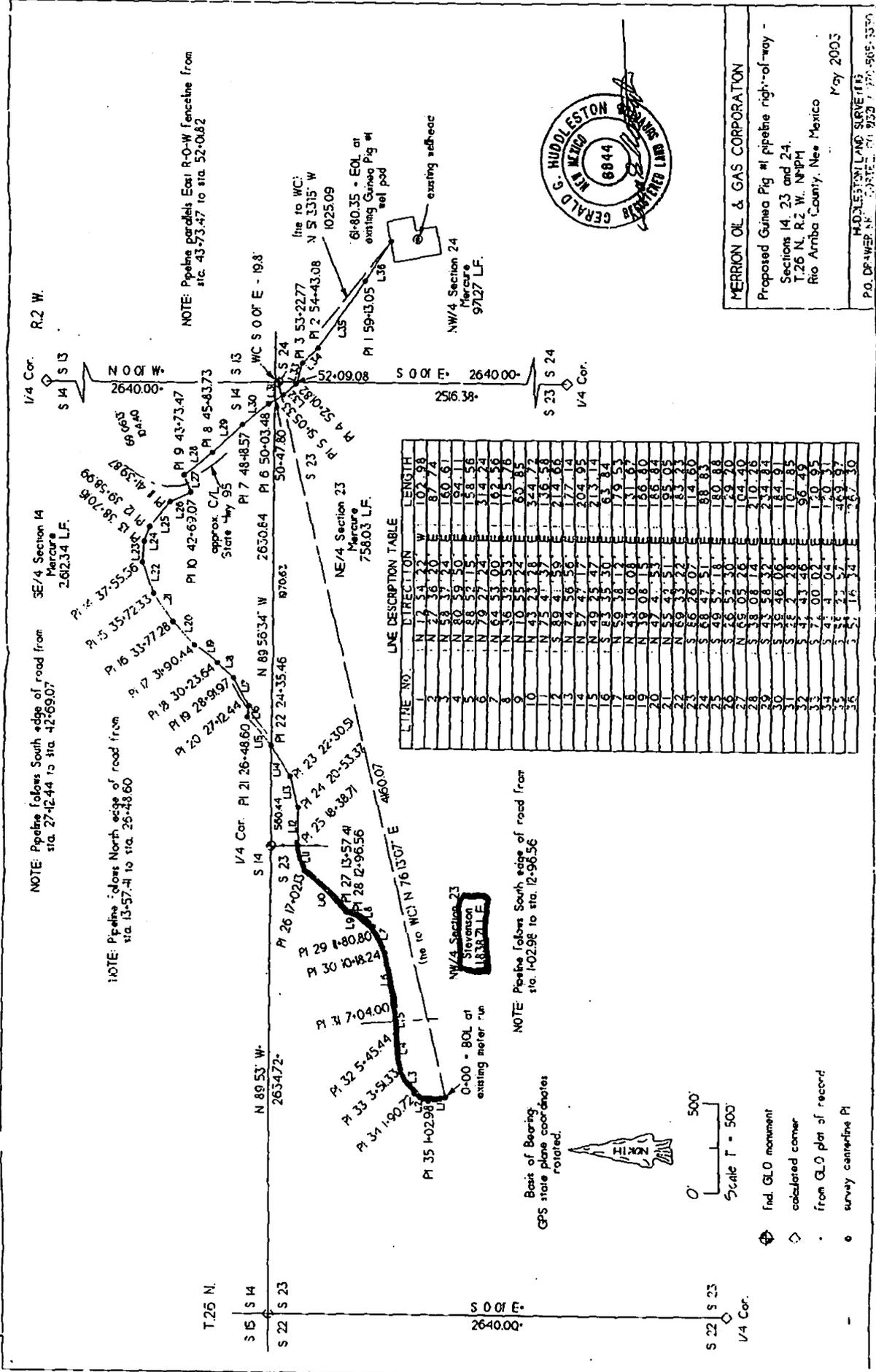
# Exhibit "A"

T26N-R2W, Sec 23: NW  
Rio Arriba County, New Mexico

B: 538 P: 5580 Doc Id: 2015-05580 Christopher  
11/23/2015 11:52 AM  
Receipt #: 27729 Page 3 of 6  
Moises A. Morales, Jr., County Clerk & Recorder Rio Arriba, New Mexico

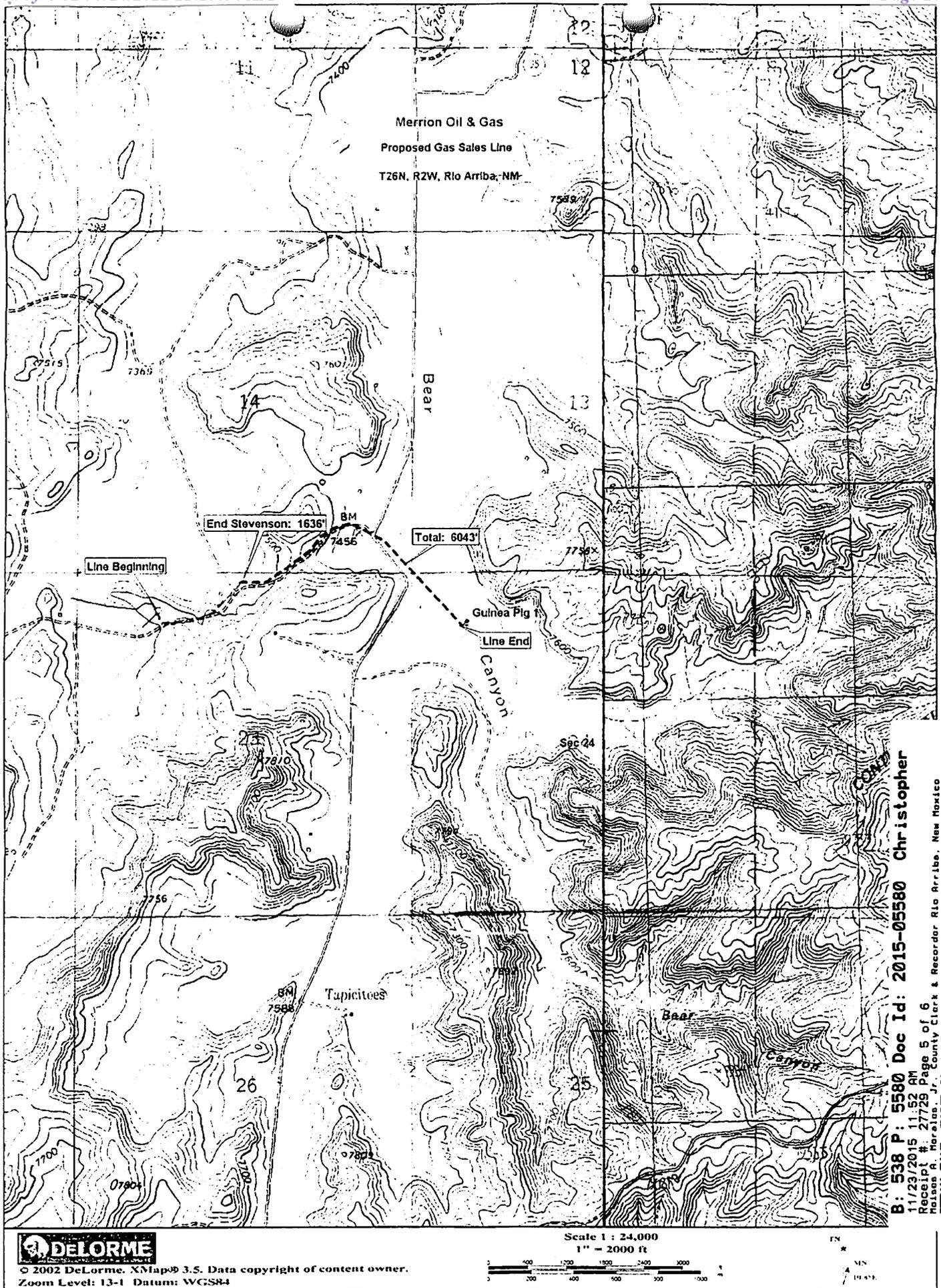


EXHIBIT "B"



MERRION OIL & GAS CORPORATION  
 Proposed Guinea Pig #1 pipeline right-of-way -  
 Sections 14, 23 and 24,  
 T.26 N. R.2 W. N.4PM  
 Rio Arriba County, New Mexico  
 May 2003  
 H. DOLESTON AND SURVEYORS  
 P.O. DRAWER NO. 100525, STATE ST. 9529, 1770-505-3370

B: 538 P: 5580 Doc Id: 2015-05580 Christopher  
 11/23/2015 11:52 AM  
 Receipt #: 27729 Page 4 of 6  
 Melissa A. Morales, Jr., County Clerk & Recorder Rio Arriba, New Mexico

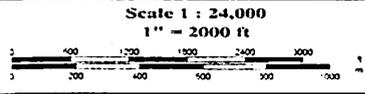


B: 538 P: 5580 Doc Id: 2015-05580 Christopher

11/23/2015 11:52 AM  
Receipt #: 27729 Page 5 of 6  
Natasa R. Morales, Jr., County Clerk & Recorder Rio Arriba, New Mexico



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Zoom Level: 13-1 Datum: WGS84



11/23/2015 11:52 AM  
Receipt #: 27729 Page 6 of 6  
Molise A. Morales, Jr. County Clerk & Recorder Rio Arriba, New Mexico



June 27, 2013

Steve L. & Eunice Stevenson  
HCR 74, Box 80  
Lindrith, NM 87029

Re: Right of Way & Easement for Pipeline – Guinea Pig Com #1  
Dated 7-23-2003  
10 year term – Renewable in 10 year increments subject to payment \$1/ft. COPAS inflated  
Grantor has payment option – via check or equivalent value in pipe  
T26N-R2W, Sec 24: NW  
Rio Arriba County, New Mexico

Dear Mr. & Mrs. Stevenson:

As you know, the above referenced right of way is coming up for 10 year renewal.

The right of way terms provided for a 10 year renewal upon remittance of payment on 1878.71 feet at \$1/foot, inflated using COPAS inflator (2003-2013), being \$2,906.30 or the equivalent value in pipe, at grantor's option.

It is our understanding that you have opted to take payment in the form of 3,230 feet of 2 7/8 UE red band tubing (valued at \$0.90/foot).

**Please sign below indicating your acceptance of the pipe delivery as described above, for payment in accordance with the terms of said right of way, which shall be renewed for additional 10 years, through 7-23-2023.**

We value this ongoing right of way relationship, and thank you for your assistance in this regard.

Sincerely,  
MERRION OIL & GAS CORPORATION

*Heidi Hill*

Heidi Hill  
Land Department

Agreed and Accepted, this 9 day of June, 2013

*Steve L. Stevenson*

Steve L. Stevenson



STATE OF NEW MEXICO )  
COUNTY OF SAN JUAN )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of June, 2013, by Steve L. Steveson.

My commission expires: 10-20-2016 *Heidi A. Hill*  
Notary Public in and for the State of New Mexico



RIO ARRIBA  
COUNTY CLERK  
RECEIVED

2015 NOV 23 AM 11:05

BY:         



*Return Recorded doc to:*

MERRION OIL & GAS CORP  
610 REILLY AVENUE  
FARMINGTON, NM 87401

ATTN: HEIDI HILL - LAND DEPT  
Released to Imaging: 1/30/2023 8:12:36 AM  
NM-876-A:01

Private Surface Owners Contacts:

Steve L. and Eunice Stevenson

HCR 74 Box 80

Lindrith, NM 87029

575-774-6694

Theдора Mercure

1001 Burga Loop

Chula Vista, CA 91910

619-213-8514

Name & Percent of WI Owners:	Merrion Oil & Gas Corp.	35.00%
	Robert L Bayless, Producer LLC	20.00%
	Benson-Montin-Greer	17.50%
	Stoabs Oil Corp	12.50%
	Sandstone Properties	15.00%
Total:		100.00%

**P** postmaster@rlbayless.com  
To: postmaster@rlbayless.com

Wed 9/28/2022 11:15 AM

Notification of OLM for the Gui...  
Outlook Item

**Your message has been delivered to the following recipients:**

[jthomas@rlbayless.com](mailto:jthomas@rlbayless.com) ([jthomas@rlbayless.com](mailto:jthomas@rlbayless.com))

Subject: Notification of OLM for the Guinea Pig Com #1

**MO** Microsoft Outlook  
To: frank.gorham@prodigy.net

Wed 9/28/2022 11:15 AM

Notification of OLM for the Gui...  
Outlook Item

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[frank.gorham@prodigy.net](mailto:frank.gorham@prodigy.net) ([frank.gorham@prodigy.net](mailto:frank.gorham@prodigy.net))

Subject: Notification of OLM for the Guinea Pig Com #1

**MO** Microsoft Outlook  
To: bmg@bmgdrilling.com

Wed 9/28/2022 11:15 AM

Notification of OLM for the Gui...  
Outlook Item

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[bmg@bmgdrilling.com](mailto:bmg@bmgdrilling.com) ([bmg@bmgdrilling.com](mailto:bmg@bmgdrilling.com))

Subject: Notification of OLM for the Guinea Pig Com #1

**MO** Microsoft Outlook  
To: stoabsoilcorp@yahoo.com

Wed 9/28/2022 11:15 AM

Notification of OLM for the Gui...  
Outlook Item

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[stoabsoilcorp@yahoo.com](mailto:stoabsoilcorp@yahoo.com) ([stoabsoilcorp@yahoo.com](mailto:stoabsoilcorp@yahoo.com))

Subject: Notification of OLM for the Guinea Pig Com #1



Philana Thompson <pthompson@merrion.bz>

---

**Well Name: GUINEA PIG COM, Well Number: 1, Notification of Sundry Received**

1 message

---

**AFMSS** <blm-afmss-notifications@blm.gov>  
To: PTHOMPSON@merrion.bz

Thu, Mar 24, 2022 at 10:35 AM

## The Bureau of Land Management

### Notice Of Intent Receipt

- Operator Name: *MERRION OIL & GAS CORPORATION*
- Well Name: *GUINEA PIG COM*
- Well Number: *1*
- US Well Number: *3003927247*
- Sundry ID: *2663519*

The BLM received your Notice Of Intent, Off-lease Measurement/Storage sundry on 03/24/2022. This is to notify you that we are processing your sundry.

You may contact the field office if you have any questions.

If we need more information we will contact you. Thank you.

This notification is automatically generated. Please do not reply to this message as this account is not monitored.

TO: KENT LEIDY  
599-2199

State of New Mexico  
Energy, Minerals & Mining Resources Department  
OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C - 102

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

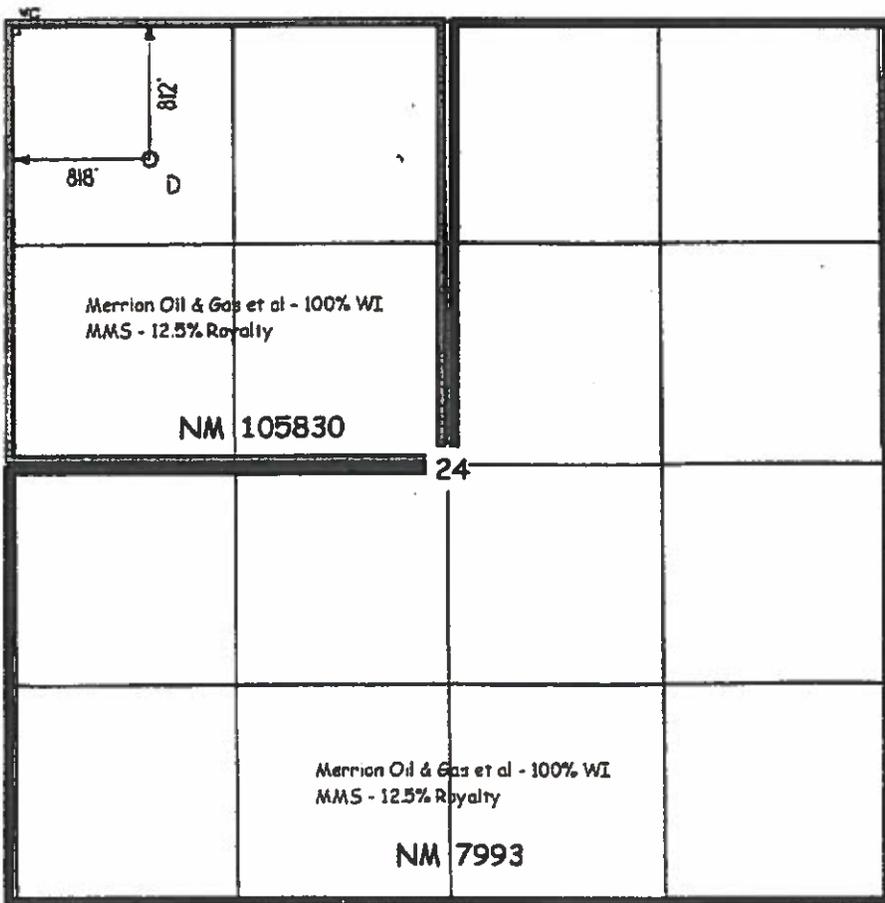
APA Number <b>30-039-27247</b>	Pool Code <b>27194</b>	Pool Name <b>Gavilan Mancos</b>
Property Code <b>030805</b>	Property Name <b>GUINEA PIG COM</b>	Well Number <b>1</b>
OGRD No. <b>014634</b>	Operator Name <b>MERRION OIL &amp; GAS</b>	Elevation <b>7482'</b>

Surface Location									
UL or Lot	Sec.	Top.	Rgn.	Lot Lth.	Feet From >	North/South	Feet From >	East/West	County
D	24	26 N.	2 W.	<b>NWNW</b>	812'	NORTH	818'	WEST	RIO ARRIBA

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Top.	Rgn.	Lot Lth.	Feet From >	North/South	Feet From >	East/West	County

Dedication <b>640</b>	Joint ? <b>No</b>	Consolidation <b>P</b>	Order No.
--------------------------	----------------------	---------------------------	-----------

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



**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Steven S. Dunn*

Printed Name: **Steven S. Dunn**

Title: **Dir. & Prod Manager**

Date: **September 11, 2002**

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location 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.

Date of Survey: \_\_\_\_\_

Signature of Professional Surveyor: *[Signature]*

Professional Surveyor Seal: **6844**

REGISTERED LAND SURVEYOR



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Albuquerque Field Office  
435 Montano Rd. NE  
Albuquerque, New Mexico 87107-4935  
www.blm.gov

IN REPLY REFER TO  
NMNM 109005  
3183 (010-amj)

MAR 14 2003

CERTIFIED--RETURN RECEIPT REQUESTED

Merrion Oil and Gas  
610 Reilly Avenue  
Farmington, NM 87401

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM 109005 involving 160.00 acres of land in Federal lease NMNM 105830 and 480.00 acres of land in Federal lease NMNM 7993, Rio Arriba County, New Mexico, comprising a 640.00 acre well spacing unit.

The agreement communitizes all rights as to natural gas and associated liquid hydrocarbons from the Gavilan Mancos formation in all of section 24, T. 26 N., R. 2 W., NMPM, Rio Arriba County, New Mexico, and is effective March 1, 2003. You are requested to furnish all interested principals with appropriate evidence of this approval.

Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

If you have questions please contact me at (505) 761-8910.

Sincerely,

Angie Medina-Jones  
Legal Instruments Examiner  
Division of Multi-Resources

Enclosure

cc:  
NMOCD  
NM (010) Cuba Field Station  
NMSO - Fluids Adj.  
NMSO Micrographics  
MMS (MS-3133/Reference Data Branch)-w/Exhibit A&B

MAR 18

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior, under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer, of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- 2. Approve the attached Communitization agreement covering all of section 24, T. 26 N., R. 2 W., Rio Arriba County, New Mexico, as to natural gas and associated liquid hydrocarbons producible from the Gavilan Mancos formation. This approval will become invalid should the public interest requirements under section 3105.2-3(e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.
- D. Approval of this agreement does not warrant or certify that the applicant and other working interest owners thereof hold legal or equitable title to the leases which are committed hereto.

Approved: MAR 14 2003



Steven W. Anderson  
Assistant Field Manager  
Division of Multi-Resources

Effective: March 1, 2003

Contract No.: Com. Agrmt. NMNM 109005

APPROVAL CERTIFICATION

COMMUNITIZATION AGREEMENT

RECEIVED

Contract No. NM 109005

FEB 22 11:20

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

- 1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 North, Range 2 West, NMPM  
 Section 24: All  
 Rio Arriba County, New Mexico

containing 640.00 acres, more or less, and this agreement shall include only the **Gavilan Mancos** formation underlying said lands and the natural gas and associated liquid hydrocarbons, hereinafter referred to as "communitized substances", producible from such formation(s).

- 2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit B, designating the operator of the communitized area and showing

the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and two executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
- 5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any non-

communitized lease production.

- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is March 1, 2003  
(Month) (Day) (Year)  
 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and shall remain in force and effect for a period of 2 years and so long thereafter as communitized substances are produced, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

MERRION OIL & GAS CORPORATION, Operator

Date: 1-21-03

By: T. Greg Merrion  
T. Greg Merrion, President

ACKNOWLEDGMENT

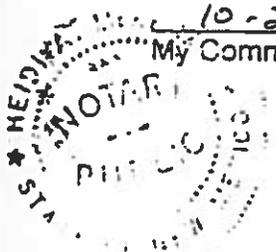
STATE OF NEW MEXICO )

COUNTY OF SAN JUAN )

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of January, 2003 by T. Greg Merrion, President of Merrion Oil & Gas Corporation or and on behalf of said corporation.

10-20-2004  
My Commission Expires

Heidi A. McKenzie  
Notary Public



LESSEES OF RECORD

NM-105830  
MERRION OIL AND GAS CORPORATION

T. Greg Merrion  
T. Greg Merrion, President

1/21/03  
Date

NM-007993  
APACHE CORPORATION

Rob Johnston  
Name Rob Johnston  
Title Vice President, Exploration  
Central Region

12/09/02  
Date

WORKING INTEREST OWNERS

ROBERT L BAYLESS, PRODUCER LLC

\_\_\_\_\_  
Date

\_\_\_\_\_  
Kevin McCord, Operational Manager

BENSON-MONTIN-GREER DRILLING CORP

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name  
Title \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF NEW MEXICO )

COUNTY OF SAN JUAN )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by T. Greg Merrion, President of Merrion Oil & Gas Corporation for and on behalf of said corporation.

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**LESSEES OF RECORD**

**NM-105830**  
**MERRION OIL AND GAS CORPORATION**

\_\_\_\_\_  
Date

\_\_\_\_\_  
T. Greg Merrion, President

**NM-007993**  
**APACHE CORPORATION**

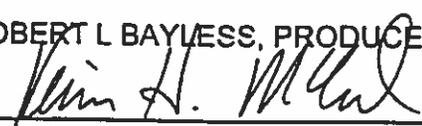
\_\_\_\_\_  
Date

\_\_\_\_\_  
Name  
Title \_\_\_\_\_

**WORKING INTEREST OWNERS**

**ROBERT L BAYLESS, PRODUCER LLC**

12-19-02  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Kevin McCord, Operational Manager

**BENSON-MONTIN-GREER DRILLING CORP**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name  
Title \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF NEW MEXICO )

COUNTY OF SAN JUAN )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by T. Greg Merrion, President of Merrion Oil & Gas Corporation for and on behalf of said corporation.

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**LESSEES OF RECORD**

**NM-105830**  
MERRION OIL AND GAS CORPORATION

\_\_\_\_\_  
Date

\_\_\_\_\_  
T. Greg Merrion, President

**NM-007993**  
APACHE CORPORATION

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Title

**WORKING INTEREST OWNERS**

ROBERT L BAYLESS, PRODUCER LLC

\_\_\_\_\_  
Date

\_\_\_\_\_  
Kevin McCord, Operational Manager

BENSON-MONTIN-GREER DRILLING CORP

1/2/2003  
Date

*Albert R. Greer*  
Name  
Albert R. Greer, President  
Title

STOABS OIL CORPORATION

12-17-02  
Date

[Signature]  
Name  
Title PRESIDENT

SANDSTONE PROPERTIES, LLC

\_\_\_\_\_  
Date

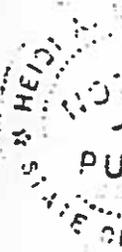
\_\_\_\_\_  
Name  
Title \_\_\_\_\_

ACKNOWLEDGMENTS

STATE OF NEW MEXICO )

COUNTY OF SAN JUAN )

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of January, 2003 by T. Greg Merrion, President of Merrion Oil & Gas Corporation for and on behalf of said corporation.



12-20-2004  
My Commission Expires

[Signature]  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ by \_\_\_\_\_ of Apache Corporation for and on behalf of said corporation.

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

STOABS OIL CORPORATION

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Title

12/18/02  
\_\_\_\_\_  
Date

SANDSTONE PROPERTIES, LLC  
FD Gordon  
\_\_\_\_\_  
Name  
President/owner  
\_\_\_\_\_  
Title

ACKNOWLEDGMENTS

STATE OF NEW MEXICO )  
COUNTY OF SAN JUAN )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by T. Greg Merrion, President of Merrion Oil & Gas Corporation for and on behalf of said corporation.

\_\_\_\_\_  
My Commission Expires  
\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_ of Apache Corporation for and on behalf of said corporation.

\_\_\_\_\_  
My Commission Expires  
\_\_\_\_\_  
Notary Public

STATE OF OKLAHOMA )

COUNTY OF TULSA )

The foregoing instrument was acknowledged before me this 9th day of December 20 02 by Rob Johnston, Vice President of Apache Corporation for and on behalf of said corporation.

9-15-04  
My Commission Expires

*Rafanna Greenwood*  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by Kevin McCord, Operational Manager of Robert L Bayless, Producer LLC for and on behalf of said corporation.

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ of Benson-Montin-Greer Drilling Corporation for and on behalf of said corporation.

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ of Stoabs Oil Corporation for and on behalf of said corporation.

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ of Apache Corporation for and on behalf of said corporation.

My Commission Expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF New Mexico )

COUNTY OF SAN JUAN )

The foregoing instrument was acknowledged before me this 19th day of December 2002 by Kevin McCord, Operational Manager of Robert L Bayless, Producer LLC for and on behalf of said corporation.

02-10-05  
My Commission Expires

Diane G Jaramillo  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )



OFFICIAL SEAL  
DIANE G. JARAMILLO  
NOTARY PUBLIC - STATE OF NEW MEXICO  
NOTARY BOND FILED WITH SECRETARY OF STATE  
My commission expires: 02-10-05

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ of Benson-Montin-Greer Drilling Corporation for and on behalf of said corporation.

My Commission Expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ of Stoabs Oil Corporation for and on behalf of said corporation.

My Commission Expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by Kevin McCord, Operational Manager of Robert L Bayless, Producer LLC for and on behalf of said corporation.

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this 2ND day of JANUARY 2003 by ALBERT R. GREER, PRESIDENT of Benson-Montin-Greer Drilling Corporation for and on behalf of said corporation.

7-24-04  
My Commission Expires

Carol L. Williams  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ of Stoabs Oil Corporation for and on behalf of said corporation.

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ of Sandstone Properties, LLC for and on behalf of said corporation.

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by Kevin McCord, Operational Manager of Robert L Bayless, Producer LLC for and on behalf of said corporation.

My Commission Expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ of Benson-Montin-Greer Drilling Corporation for and on behalf of said corporation.

My Commission Expires \_\_\_\_\_

Notary Public

STATE OF NEW MEXICO)

COUNTY OF SAN JUAN )

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of DECEMBER 2002 by CRAIG A. STOABS, PRESIDENT of Stoabs Oil Corporation for and on behalf of said corporation.

6/11/03  
My Commission Expires

Ann H. Anderson  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ of Sandstone Properties, LLC for and on behalf of said corporation.

My Commission Expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by Kevin McCord, Operational Manager of Robert L Bayless, Producer LLC for and on behalf of said corporation.

My Commission Expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ of Benson-Montin-Greer Drilling Corporation for and on behalf of said corporation.

My Commission Expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by \_\_\_\_\_ of Stoabs Oil Corporation for and on behalf of said corporation.

My Commission Expires \_\_\_\_\_

Notary Public

STATE OF NEW MEXICO )

COUNTY OF BERNALILLO )



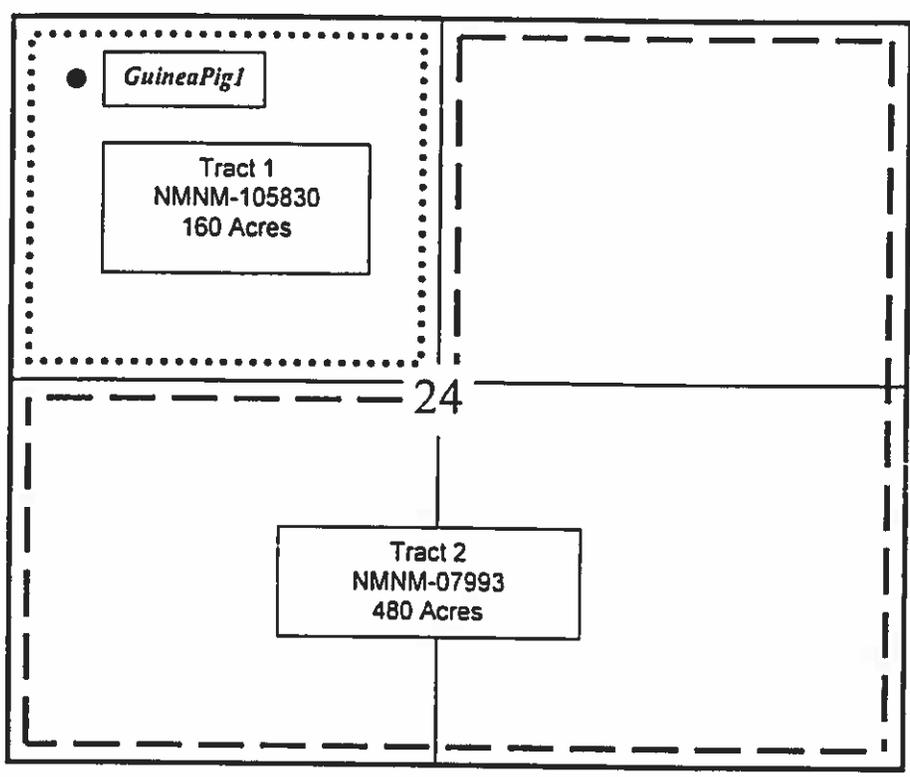
OFFICIAL SEAL  
Betty J. Longon  
NOTARY PUBLIC  
STATE OF NEW MEXICO  
My Commission Expires: 8/21/2004

The foregoing instrument was acknowledged before me this 18th day of DECEMBER 2002 by FRANK D. GORHAM III, PRESIDENT/OWNER of Sandstone Properties, LLC for and on behalf of said corporation.

8/21/2004  
My Commission Expires

Betty J. Longon  
Notary Public

**EXHIBIT "A"**  
Plat of communitized area covering:  
All of Section 24  
Township 26 North, Range 2 West, NMPM  
Rio Arriba County, New Mexico  
Guinea Pig 1  
Gavilan Mancos Formation



**EXHIBIT "B"**  
**Communitization Agreement**  
**T26N, R2W, Section 24: All**  
**Rio Arriba County, New Mexico**

Operator of the Communitized Area: Merrion Oil & Gas Corporation

Description of Leases Committed

Tract 1

Lease Serial No. NM-105830  
Lease Date: March 1, 2001  
Lease Term: 10 years  
Lessor: United States of America  
Original Lessee: Merrion Oil and Gas Corp  
Present Lessee: Merrion Oil & Gas Corp  
Description of land committed: Township 26 North, Range 2 West, NMPM  
Section 24: NW  
Number of Acres: 160.00  
Royalty Rate: 12.5%  
Total ORRI: None

Name & Percent of WI Owners: Merrion Oil & Gas Corp. 35.00%  
Robert L Bayless, Producer LLC 20.00%  
Benson-Montin-Greer 17.50%  
Stoabs Oil Corp 12.50%  
Sandstone Properties 15.00%  
Total: 100.00%

Tract 2

Lease Serial No. NM-7993  
Lease Date: November 1, 1968  
Lease Term: 10 years  
Lessor: United States of America  
Original Lessee: G. J. Fellis  
Present Lessee: Apache Corporation  
Legal Description: Township 26 North, Range 2 West, NMPM  
Section 24: NE, S2  
Number of Acres: 480.00  
Royalty Rate: 12.5%  
Name & Percent ORRI Owners: T H McElvain Oil & Gas .5%  
Lindrith Capital LLC .5%  
Billie Robinson 7.5%  
8.5%

Name & Percent of WI Owners:	Merrion Oil & Gas Corp.	35.00%
	Robert L Bayless, Producer LLC	20.00%
	Benson-Montin-Greer	17.50%
	Stoabs Oil Corp	12.50%
	Sandstone Properties	<u>15.00%</u>
	Total:	100.00%

**Recapitulation**

<u>Tract Nos.</u>	<u>No. of Acres Committed</u>	<u>% of Interest in Communitized Area</u>
1	160.00	25%
2	<u>480.00</u>	<u>75%</u>
	320.00	100%

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** \_\_\_\_\_ **OGRID Number:** \_\_\_\_\_  
**Well Name:** \_\_\_\_\_ **API:** \_\_\_\_\_  
**Pool:** \_\_\_\_\_ **Pool Code:** \_\_\_\_\_

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]
- [ I ] Commingling – Storage – Measurement  
 DHC    CTB    PLC    PC    OLS    OLM
- [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX    PMX    SWD    IPI    EOR    PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

\_\_\_\_\_  
 Print or Type Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
e-mail Address

**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Philana Thompson](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Paradis, Kyle O](#)  
**Subject:** Approved Administrative Order OLM-263  
**Date:** Monday, January 30, 2023 7:59:30 AM  
**Attachments:** [OLM263 Order.pdf](#)

NMOCD has issued Administrative Order OLM-263 which authorizes Merrion Oil & Gas Corporation (14634) to surface commingle or off-lease measure, as applicable, the following wells:

<b>Well API</b>	<b>Well Name</b>	<b>UL or Q/Q</b>	<b>S-T-R</b>	<b>Pool</b>
30-039-27247	Guinea Pig Com #1	All	24-26N-2W	27194

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
 Petroleum Engineer, Oil Conservation Division  
 New Mexico Energy, Minerals and Natural Resources Department  
 (505) 469-8211

**From:** [Philana Thompson](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** Re: [EXTERNAL] Re: off-lease measurement application OLM-263  
**Date:** Tuesday, October 25, 2022 4:39:12 PM  
**Attachments:** [image.png](#)  
[image.png](#)

Dean,

I have received Stoab's acknowledgement and approval for OLM. Please let me know if you need anything further from me.

Thank you so much,

Philana



**craig stoabs** <stoabs@yahoo.com> 

To: Philana Thompson

Tue 10/25/2022 4:34 PM

Stoabs Oil Corp and received notification and approves the request

Craig Stoabs

---

----- Forwarded Message -----

**From:** craig stoabs <stoabs@yahoo.com>  
**To:** Stoabs Oil Corp Stoabs Oil Corp <stoabsoilcorp@yahoo.com>  
**Sent:** Monday, October 3, 2022, 5:30:59 PM MDT  
**Subject:** Re: Notification of OLM for the Guinea Pig Com #1

Stoabs Oil Corp approves the request.

Craig Stoabs

Sent from my iPhone

On Oct 3, 2022, at 2:46 PM, Stoabs Oil Corp Stoabs Oil Corp <stoabsoilcorp@yahoo.com> wrote:

Beverly Stockert Stoabs Oil Corporation 505-325-1357

---

----- Forwarded Message -----

**From:** Philana Thompson <pthompson@merrion.bz>  
**To:** stoabsoilcorp@yahoo.com <stoabsoilcorp@yahoo.com>  
**Sent:** Monday, October 3, 2022 at 03:45:00 PM MDT  
**Subject:** Fw: Notification of OLM for the Guinea Pig Com #1

Good afternoon,

I was following up to see if you have any question or concerns regarding our permit for off lease measurement for the Guinea Pig #1. The NMOC has required that we receive confirmation that you have received the notification and if your company approves or denies the request.

Thank you so much,  
Philana

**From:** Philana Thompson <pthompson@merrion.bz>  
**Sent:** Tuesday, October 4, 2022 1:25 PM  
**To:** McClure, Dean, EMNRD <Dean.McClure@emnrn.nm.gov>

**Subject:** Re: [EXTERNAL] Re: off-lease measurement application OLM-263

Here is Benson Montin Greer, RL Bayless and Sandstone Properties. I have reached out to Stoabs Oil to make sure I have the correct contact information.

Philana

**BI** BMG Info <bmg@bmgdrilling.com>  
To: Philana Thompson  
Tue 10/4/2022 9:00 AM

BMG has received and approved MERRION's proposal.

**Benson-Montin-Greer Drilling Corp.**  
4900 College Blvd.  
Farmington, NM 87402  
505.325.8874  
bmg@bmgdrilling.com

**JT** John Thomas <jthomas@rlbayless.com>  
To: Philana Thompson  
Cc: bmg@bmgdrilling.com; stoabsoilcorp@yahoo.com; Anna Williamson <anna.williamson@comcast.net> +1 other  
Fri 9/30/2022 2:49 PM

Received and Approved by Robert L Bayless, Producer LLC.

JT  
John D Thomas  
Production and Asset Manager  
Robert L. Bayless, Producer LLC  
621 Seventeenth Street  
Suite 2300  
Denver, CO 80293  
www.rlbayless.com  
(O) 303-382-0914 (C) 505-320-5234

**FG** FRANK GORHAM <frank.gorham@prodigy.net>  
To: Philana Thompson  
Cc: bmg@bmgdrilling.com; jthomas@rlbayless.com; stoabsoilcorp@yahoo.com +1 other  
Fri 9/30/2022 2:40 PM

Sandstone has received and approved MERRION's proposal  
Frank Gorham  
Owner Managing Partner  
Sandstone Properties

Sent from my iPhone

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**From:** McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>  
**Sent:** Friday, September 30, 2022 2:05 PM  
**To:** Philana Thompson <pthompson@merrion.bz>  
**Subject:** RE: [EXTERNAL] Re: off-lease measurement application OLM-263

Ms. Thompson,

Please provide written confirmation from the WI owners that they received notification of this application which may take the form of an email reply. Additionally please note that upon confirmation, a 20 day notice period will begin unless the WI owners also provide confirmation that they do not protest this application.

Dean McClure

Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

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**From:** Philana Thompson <pthompson@merrion.bz>  
**Sent:** Wednesday, September 28, 2022 12:22 PM  
**To:** McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>  
**Subject:** [EXTERNAL] Re: off-lease measurement application OLM-263

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good Morning,

Sorry for the late response, I was out of town last week and have been playing catch-up. Please let me know if I address all of your questions and required information.

Thank you so much,  
Philana

Attached is the following:

1. AAC3-28-17 Administrative Checklist
2. Map of the location of the EPFS custody transfer point
3. List of WI owners and proof of notification via email (9/22/2022)

Answers to your questions:

1. This OLM is for Gas only
2. Location of gas sales meter custody transfer point: 36.474959, -107.024290 UL D, S23, T26N, R2W
3. Thank you for removing the information on Teddi Mecure, I missed that it had a SS#
- 4.

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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Sent:** Wednesday, September 21, 2022 11:32 AM  
**To:** Philana Thompson <[pthompson@merrion.bz](mailto:pthompson@merrion.bz)>  
**Subject:** off-lease measurement application OLM-263

Ms. Thompson,

I am reviewing off-lease measurement application OLM-263 which involves the off-lease measurement of the Guinea Pig Com #1 and is operated by Merrion Oil & Gas Corp (14634).

Please fill out the attached admin checklist and send back to me.

Presumably, this request is for gas only, but please confirm that.

What is the location of the gas sales meter in PLSS? (quarter-quarter, Section, Township, Range)

Included in your application packet is what appears to be a social security number. I will remove the document titled "ROW Surface Use - Teddi Mercure.pdf" from your application packet as it includes the SSN and surface agreements and surface damage payments is not applicable to this application.

OLM applications require that notice of the application be provided to the working interest owners of the production. Diversly if Merrion owns 100% of the working interest, then please provide a statement to this affect from a qualified person.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR OFF-LEASE MEASUREMENT  
SUBMITTED BY MERRION OIL & GAS CORPORATION      ORDER NO. OLM-263**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Merrion Oil & Gas Corporation (“Applicant”) submitted a complete application to off-lease measure the gas production ("Application") from the wells, pool, and lease identified in Exhibit A.
2. Applicant provided notice of the Application to all persons owning a working interest in the gas production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

**CONCLUSIONS OF LAW**

4. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.23 NMAC.
5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

**ORDER**

1. Applicant is authorized to store and measure gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
2. The gas production from the wells identified in Exhibit A shall be physically separated from the gas production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC, except as otherwise provided in order(s) issued by OCD.
3. Applicant shall measure and market the commingled gas at a central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless

of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.

4. Applicant shall calibrate the meters used to measure or allocate gas production in accordance with 19.15.12.10(C)(2) NMAC.
5. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**DYLAN M. FUGE  
DIRECTOR (ACTING)**

**DATE:** 1/28/2023

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Exhibit A**

Order: OLM-263  
Operator: Merrion Oil & Gas Corp (14634)  
Central Tank Battery: Guinea Pig 1 Battery  
Central Tank Battery Location: UL D, Section 24, Township 26 North, Range 2 West  
Gas Title Transfer Meter Location: UL D, Section 23, Township 26 North, Range 2 West

**Pools**

Pool Name	Pool Code
GAVILAN MANCOS	27194

**Leases as defined in 19.15.12.7(C) NMAC**

Lease	UL or Q/Q	S-T-R
CA Mancos NMNM 109005	All	24-26N-2W

**Wells**

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-039-27247	Guinea Pig Com #1	All	24-26N-2W	27194

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 92408

**CONDITIONS**

Operator: MERRION OIL & GAS CORP 610 Reilly Avenue Farmington, NM 87401	OGRID: 14634
	Action Number: 92408
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	1/30/2023