

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised August 1, 2011

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

WELL API NO. 30-039-26177
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-178
7. Lease Name or Unit Agreement Name State Pat
8. Well Number 1A
9. OGRID Number 14634
10. Pool name or Wildcat Blanco PC (72359)

**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 Corp.

3. Address of Operator 610 Reilly Ave., Farmington NM 87401

4. Well Location  
 Unit Letter C : 1065 feet from the north line and 1940 feet from the west line  
 Section 32 Township 30N Range 7W NMPM County Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 6220' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

RCVD JUL 15 '13  
 OIL CONS. DIV.  
 DIST. 3

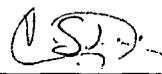
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Merrion Oil & Gas proposes to add Pictured Cliffs perforations, fracture stimulate and downhole commingle Pictured Cliffs and Mesaverde production per the attached procedure. A DHC application is being filed separately (DHC for Blanco MV 72319 and Blanco PC 72359 pools is pre-approved.)

*File C104 a Completion Report before returning to production - For Pictured Cliffs*

Spud Date: +/- August 15, 2013 Rig Release Date: +/- August 22, 2013

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

SIGNATURE  TITLE Investment Engineer DATE July 9, 2013

Type or print name Connie Dinning E-mail address: cdinning@merrion.bz PHONE: 505.324.5326

**For State Use Only**

APPROVED BY:  TITLE Deputy Oil & Gas Inspector, District #3 DATE JUL 26 2013

Conditions of Approval (if any):

**N**

District I  
1625 N. French Dr., Hobbs, NM 88240  
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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 August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-26177		<sup>2</sup> Pool Code 72359		<sup>3</sup> Pool Name Blanco Pictured Cliffs	
<sup>4</sup> Property Code 24590		<sup>5</sup> Property Name State Pat			<sup>6</sup> Well Number 1A
<sup>7</sup> OGRID No. 14634		<sup>8</sup> Operator Name Merrion Oil & Gas Corporation			<sup>9</sup> Elevation 6220'

<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
C	32	30N	7W		1065	N	1940	W	Rio Arriba

<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
								RCVD JUL 25 '13	

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.	OIL CONS. DIV. DIST. 2
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup> 	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p>
<p>Lease: E-178</p>	<p><b><sup>18</sup> 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>



**ADD PC PROCEDURE**

Well Information			
<b>Well:</b>	<b>State Pat #1A</b>	<b>Field:</b>	Dufers Point
<b>Location:</b>	1065' fnl & 1940' fwl Sec 32, T30N, R7W Rio Arriba Co., NM	<b>Elevations:</b>	6,220' GL, 6,233' KB
		<b>Depths:</b>	5,700' PBTB
<b>API:</b>	30-039-26177	<b>Date:</b>	06/06/2013
<b>Tubulars:</b>	4-1/2" 11.6# J55 liner 5700' – 2675' & 7" 23# J55 intermediate csg @ 2800' KB See schematic for tbgs. detail.	<b>Engineer:</b>	J. Ryan Davis (505.215.3292) Connie Dinning (505.324.5326)
<b>Perforations (MV)</b>	3819' - 5370' (150 select fire holes)		
<b>Proposed Perforations</b>			
<b>Perforations (PC)</b>	3088' – 3098', 3105' – 3112', 3114' – 3124' 4spf		

**Version 1 – CSD Draft for JRD final version**

**Project Scope**

Add Pictured Cliffs perms and stimulate, commingle w/ MV

**Prior to Move In**

- Check wellsite for anchors
- Check wellhead companion flange for correct BOP connection
- Haul in 2 400 bbl frac tank, fill w/ ±600 bbl filtered 2% KCl water

**Isolate MV**

1. MIRU, do not kill well with fluid. Record pressures.
2. Blow dn csg and tbgs
3. ND wellhead and NU BOP
4. TOOH w/ 5220' of 2 3/8" tbgs (157 jts)
5. PU 3 3/4" bit, 4 1/2" csg scraper on tbgs
6. Round trip bit and scraper to ±3300' (4 1/2" liner top at 2675')
7. POOH w/ tbgs and lay dn bit and scraper
8. PU 4 1/2" RBP
9. RIH, set RBP @ ±3200' KB
10. Pull up and test RBP
  - a. Holds- dump sand on top of RBP, continue
  - b. Doesn't Hold- reset and test until RBP holds.

**Perf, Acidize and Frac PC**

11. RIH w/ GR and perf gun and tag RBP at ±3200'
12. Perforate PC underbalanced in the following intervals bottom to top w/ 4spf correlated to State Pat 1A Spectral Density Log dated 11-07-99, total 120 holes:



## ADD PC PROCEDURE

3114' – 3124', 3102' – 3112', 3088' – 3098'

Total = 120 holes

13. Acidize PC perms w/ 500 gal 15% HCl
14. RD wireline truck
15. Rig up pump truck. Breakdown perms w/ 2% KCl and establish injection rate. Record ISIP on shut down
16. Rig up frac company
17. Frac PC w/ 100M# 20/40 Brady sand in 70Q 20# linear gel foam, 25 bpm as follows:

10000 gal	Pad
10000 gal	1 ppa
15000 gal	2 ppa
20000 gal	3 ppa
2025 gal	Flush
18. Record ISIP, continue to monitor pressure for 15 minutes
19. Flow back slowly on  $\frac{1}{8}$ " choke for first 4 hrs, change to  $\frac{1}{4}$ " choke and flow back over night
20. Record rate and pressures to test PC for 24 hrs to determine allocation parameters

### Return Well to Production (RTP)

21. RIH w/ tbg and CO sand to RBP @  $\pm 3200'$
22. Unset RBP and TOH
23. RIH on 157 jts and land tbg ~ 5220' KB
24. If well does not flow, swab well in

**Merrion Oil & Gas Corporation**  
**Wellbore Schematic**  
State Pat 1A  
Current Wellbore Configuration

Location: 1065' 1st & 1940' 1st (se nw)  
Sec. 32, T30N, R7W, NMPM  
Rio Arriba Co, New Mexico

Prepared: 06/11/2013  
Update: 06/11/2013 jrd

Elevation: 5,220' GL  
5,233' RKB

By: J. Ryan Davis

