

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 July 18, 2013

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

WELL API NO. 30-045-30456
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Katy Com
8. Well Number #2
9. OGRID Number 14634
10. Pool name or Wildcat Aztec PC/Basin FC

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 ___ P ___ : ___ 1199 ___ feet from the ___ South ___ line and ___ 1263 ___ feet from the ___ East ___ line
 Section 26 Township 30N Range 12W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5686

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

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

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 Corporation proposes to P&A the above named well as outlined in the attached sundry.

OIL CONS. DIV DIST. 3

JUN 15 2015

*Adjust Kirtland 10jo plug 305-572
 Add Fruitland plug 1375-1475*

Spud Date: Rig Release Date:

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

SIGNATURE *Philana Thompson* TITLE Regulatory Compliance Specialist DATE 6/10/2015

Type or print name Philana Thompson E-mail address: pthompson@merrion.bz PHONE: 505-324-5336

For State Use Only

APPROVED BY: *Bill Bell* TITLE DEPUTY OIL & GAS INSPECTOR DISTRICT # 3 DATE 6/30/15

Conditions of Approval (if any):

4

PLUG AND ABANDONMENT PROCEDURE

April 17, 2015

Katy #2

Aztec Pictured Cliffs / Basin Fruitland Coal

1199' FSL, 1263' FEL, Section 26, T30N, R12W, San Juan County, NM

API 30-045-30456 / Long: 36.779649 / Lat: -108.0632282

1. This project will use an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
3. Rods: Yes X, No , Unknown .
Tubing: Yes X, No , Unknown , Size 2-3/8", Length 1891'.
Packer: Yes , No X, Unknown , Type .
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
4. **Plug #1 (Pictured Cliffs interval and Fruitland Coal perforations, 1850' – 1772')**: Round trip 4.5" gauge ring to 1850' or as deep as possible. TIH and set 4.5" CR at 1850'. Pressure test tubing to 1000#. Mix 20 sxs Class B cement (excess due to open perforations) and spot plug above CR to isolate the PC interval, fill the Fruitland Coal perforations and cover the Fruitland top. PUH and WOC. TIH and tag cement 50' above top of Fruitland. If necessary top off cement and go to Plug #2. Pressure test casing to 800#. If casing does not test, then spot or tag subsequent plugs as appropriate. PUH.
5. **Plug #2 (Fruitland, Kirtland and Ojo Alamo tops, ~~819' – 476'~~)**: Mix and pump 30 sxs Class B cement and spot a balanced plug inside casing to cover through the Ojo Alamo top. PUH.
6. **Plug #3 (7" Surface casing shoe, 177' – Surface)**: Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 20 sxs cement and spot a balanced plug from 177' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing from 177' and the annulus from the squeeze holes to surface. Shut in well and WOC.
7. ND BOP and cut off wellhead below surface casing flange. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and cut off anchors. Restore location per BLM stipulations

Katy No. 2 Current

Aztec Pictured Cliffs / Basin Fruitland Coal

1199' FSL & 1263' FEL, Section 26, T-30-N, R-12-W, San Juan County, NM

Long: _____ / Lat: _____ / API 30-045-30456

Today's Date: 4/16/15
Spud: 4/27/01
PC Comp: 5/31/01
FtC Comp: 12/7/02
Elevation: 5686' GI
5691' KB

8-3/4" Hole

Circulated cement to surface

7", 23# Casing set @ 127' KB
Cement with 59 cf, circulated to surface

Ojo Alamo @ 526'

Kirtland @ 676'

Fruitland @ 769'

2-3/8" tubing at 1891' KB
(4.7#, J-55, 57 joints with rod and pump)

Fruitland Coal Perforations:
1822' - 1846'

Pictured Cliffs Perforations:
1855' - 1876'

Pictured Cliffs @ 1912'

6-1/4" Hole

4.5" 10.5#, J-55 LTC Casing @ 2025'
Cement with 421 cf

2028' TD
1981' PBTB



