Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

WELL API NO. **30-045-05777**

5. Indicate Type of Lease **FEDERAL** STATE ☐ FEE ☐

6. State Oil & Gas Lease No. **TO BE COMMUNITIZED**

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.)

7. Lease Name or Unit Agreement Name: WESTERN C

1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator **MERRION OIL & GAS CORPORATION**

8. Well No. **1**

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

9. Pool name or Wildcat **GALLEGOS GALLUP**

4. Well Location

Unit Letter **A** : **990** feet from the **North** line and **990** feet from the **East** line.

Section **20** Township **26N** Range **11W** County **San Juan**

10. Elevation *(Show whether DR, RKB, RT, GR, etc.)* **6191' RKB**

JUL 2003 Received OIL CONS. DIV. DIST. 3

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPLETION	☐	CASING TEST AND CEMENT JOB	☐		
OTHER: **TO COMMINGLE**			☒	OTHER:			☐

12. 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 recompilation.

Merrion Oil & Gas proposes to complete Gallup and to commingle the Gallego Gallup and Basin Dakota following the attached procedure.

See attached supporting data.

DHC 1270AZ

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

SIGNATURE _____ TITLE: **Production Engineer** DATE: **07/08/03**

Type or print name **Connie S. Dinning** Telephone No. **327-9801**

(This space for State use)

APPPROVED BY _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUL 11 2003

Conditions of approval, if any:

Merrion Oil & Gas Corporation

Workover Procedure

July 7, 2003

Well:	**Western C-1**	**Field:**	Basin Dk, Gallegos Glp
Location:	990' fnl, 990' fel (NE NE) Sec.20, T26N, R11W, NMPM San Juan County, New Mexico	**Elevation:** **By:**	6181' GL, 6191' KB Catlain H. Nee

Project:

Recomplete Gallup formation and commingle with Dakota.

Procedure:

Prior to Move-in

1. Check location for anchors.
2. Haul-in flowback tank.
3. Dig flowback/blooey pit.
4. Set 114 Pumping Unit.
5. At move in, rig up blooey line.

Check State of Tubing and Casing

1. Note: Do not kill well.
2. MIRU
3. Check for PBTD w/ slickline.
4. RIH w/ gauge ring and check for obstructions in tubing.
5. Load backside w/ water & pressure test to 500 psi.

Remove Tubing from Hole

6. RIH w/ wireline. Set blanking plug in tubing at ±5940'.
7. Perforate 2 holes in tubing at ±5910.
8. RU air package & blow hole clean.
9. Pull out of Baker Model "D" packer and tally out of hole w/ 2-3/8" tbg.

Repair Casing Leaks (if casing did not hole pressure in step 5)

10. RIH w/ RBP on 2-3/8" workstring and set on top of packer @ ±5940'.
11. Dump 5' sand on top of RBP.
12. Run casing inspection log.
13. TIH w/ packer and isolate holes in casing. Squeeze as needed.
14. TIH w/ 4-3/4" bit and casing scraper and clean out to bridge plug.
15. Pressure test casing to 500 psi. If casing does not hold pressure, repeat steps 12-15.
16. RIH w/ 2-3/8" workstring and remove RBP.

Remove Packer

17. PU & RIH w/ Packer Plucker on 2-3/8" workstring. Mill out packer w/ air. TOH.
18. TIH w/ 4-3/4" bit and casing scraper and clean out to PBTD @ ±6108' w/ air.
19. Run Gamma Ray Correlation Log from PBTD @ ±6108' to 100'.

Set RBP above Dakota Perfs

20. RIH w/ RBP on wireline and set @ ±5940'.

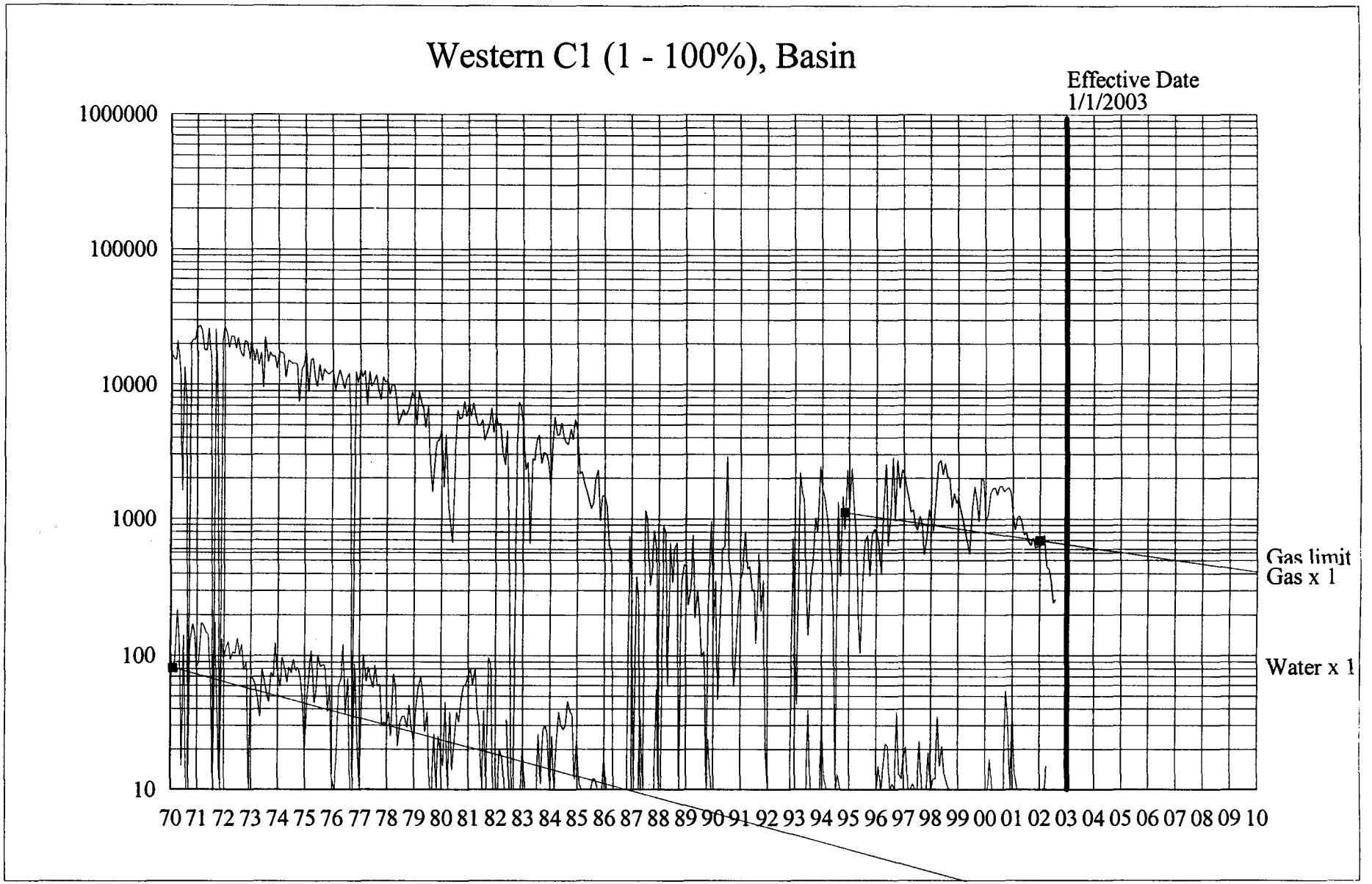
21. Dump 5' sand on top of RBP.

Gallup Completion

22. Perforate gross interval 4978'-5237' with .34" holes.
23. PU 5-1/2" packer on 3-1/2" upset fracstring and TIH to bottom Gallup perf.
24. Load hole w/ 2% KCl water.
25. Pump 350 gal 15% HCl w/ goodies and follow with 30 Bbls 2% KCl to balance acid across perfs to ±4903'. Pull & set packer at ±4853'. Displace to bottom perf w/ 17 Bbls 2% KCl and establish injection rate. **Monitor backside for signs of communication.**
26. Frac well w/ ±100,000# 20-40 in 70Q CO2 foam at 25 BPM. **Monitor backside for signs of communication.** SI well for 2 hrs to allow frac to close.
27. Flow back frac on choke.

Clean out hole, Run Tubing and Rods, and Return to Production

28. When well dies off, release packer and TOH and LD fracstring.
29. Circulate out sand using air to RBP.
30. TIH w/ workstring and remove RBP. TOH.
31. TIH w/ mud anchor & seating nipple on 2-3/8" tubing. Tag PBTD at ±6108'. If needed, clean out hole w/ air. Set tubing at ±6080'.
32. TIH w/ rods and pump.
33. ND BOPs and NU wellhead. RD, MOL. Return well to production.



2300430450577771599
Western C1 (1 - 100%)
JGM
Basin
NEW, NM

[]
Basin
20 26N 11W

	Oil (bbl)	Gas (mcf)	Water (bbl)
Cumulative:	27,602	4,170,382	145
Remaining:	27	14,556	26
Ultimate:	27,629	4,184,938	171

SUPPORTING DATA FOR C-103
WESTERN C-1 COMMINGLE
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.

1. The Basin Dakota and Gallegos Gallup have been pre-approved for commingling by Order No. R-11363

2. The well is currently perfed in the Dakota from 6006' to 6042'. We plan to add the Gallup interval pursuant to the attached procedure from 4978' to 5237'.

3. The Dakota is making approximately 30 MCFD as shown on the attached production plot. Dakota production just before the commingling will be subtracted from the commingled production rate to determine the contribution from the Gallup zone. A constant percentage shall be used to allocate production between the zones.

4. The commingling will increase, not reduce, the value of the remaining production.

5. Ownership of the Dakota and Gallup are identical.

6. A copy of this application will be sent to the Farmington BLM office.