

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

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-103

May 27, 2004

WELL API NO.

30-045-12174

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

NA

7. Lease Name or Unit Agreement Name
Farmington C Com

8. Well Number 1

9. OGRID Number 014634

10. Pool name or Wildcat
W. Kutz PC/Basin Fruitland & Dakota

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

3. Address of Operator

610 Reilly Ave, Farmington, NM 87401

4. Well Location

Unit Letter L : 1625 feet from the south line and 1250 feet from the west line

Section 15 Township 29N Range 13W NMPM County San Juan

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

5286' GR

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: Production Allocation ☒

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 & Gas has commingled the West Kutz Pictured Cliffs, the Basin Fruitland and the Basin Dakota in the subject well in accordance with Downhole Commingling Order #3180. Addition of the Basin Fruitland Coal did not show any appreciable increase in production initially. In fact, PC production was down significantly for some time after the PC/FC commingle. However, it appears to be recovering, so we are showing 1 MCFD from the Basin Fruitland. As per production data from the Dakota decline curve, and the Pictured Cliffs production prior to the commingle, we propose the following allocation:

	<u>Gas</u>	<u>Oil</u>	<u>Water</u>
West Kutz Pictured Cliffs	300 MCFD (85.5%)	0	16 BWPD (100%)
Basin Fruitland	1 (0.3%)	0	0
Basin Dakota	50 MCFD (14.2%)	5 BOPD (100%)	0

DHC 3180

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 NMOC guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Production Engineer DATE 10/25/06

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. #2 DATE OCT 27 2006

Conditions of Approval (if any):