



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Farmington Field Office  
1235 La Plata Highway, Suite A  
Farmington, New Mexico 87401

IN REPLY REFER TO  
NMSF-080238A  
3162.3-1 (111)

December 21, 2009

Merrion Oil & Gas  
Attn.: Denise Merilatt  
610 Reilly Ave.  
Farmington, NM 87401

RCVD DEC 22 '09

OIL CONS. DIV.  
DIST. 3

45-31851

Dear Ms. Merilatt:

Reference is made to your Application for Permit to Drill (APD) the **No. 8 Morgan** well, located **863' FSL and 888' FEL, Section 31, T27N, R12W, San Juan County, New Mexico**. This APD was approved on July 12, 2005 with an expiration date of July 12, 2009. According to our records, no known activity has taken place at this location.

In view of the foregoing, this office is rescinding the approval due to the expiration of this APD. In addition, we will require a letter confirming that no surface disturbing activities have been conducted at this well site. Please file letter within 30 days of receipt of this notice. Any surface disturbance conducted must be rehabilitated in accordance with the standards and guidelines established by this office.

If you have any questions regarding the above contact Shea Valdez at (505) 599-8969

Sincerely,

Shea Valdez  
Petroleum Engineering Asst.

Petroleum Management Team

cc: NMOCD  
BIA; Gallup  
Navajo Nation Minerals Dept.

B

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

0 NOS APD 8/14/03  
map attached  
**ROW/APD**

FORM APPROVED  
Budget Bureau No 1004-0136  
Expires February 28, 1995

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a Type of Work

DRILL ☒

DEEPEN ☐

b Type of Well

Oil Well ☐

Gas Well ☒

Other ☐

Single Well ☒

Multiple Zone ☐

2 Name of Operator

**Merrion Oil & Gas Corporation**

3 Address and Telephone No.

610 Reilly Ave Farmington NM 87401  
ph: (505) 327-9801 324-5300

4 Location of Well (Footages)

At Surface 863' fsl & 888' fel (se se)

At proposed prod. zone Same

14 Distance in Miles and Directions from Nearest Town or Post Office

22 miles south of Farmington NM, near Chaco Plant

15 Distance from Proposed Location to Nearest

Property or Lease Line, Ft 863'

16 No. of Acres in Lease

320 acres

17 No. of Acres Assigned to This Well

320 acres

18 Distance from Proposed Location to Nearest Well Drilling, Completed, or Applied for, on this Lease, FT

-1065'

19 Proposed Depth

-1300'

20 Rotary or Cable Tools

Rotary

21 Elevations (Show whether DF, RT, GR, etc)

5862' GR, 5867' RKB

22 Approximate Date Work will Start

As soon as permitted

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	SIZE & GRADE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7" J55	20 ppf or greater	~120' KB	~30 sx (36 cuft)
6-1/4"	4-1/2" J55	10.5 ppf or greater	~1300' KB	~104 sx (170 cuft)

Merrion proposes to drill 8-3/4" hole with native mud to approx 120' and set 7" 20# J55 (or greater) surface casing, cement to surface with ~30 sx 'B' w/ 2% CaCl2 (35 cuft). Will drill 6-1/4" hole to TD @ approx 1300' KB with low solids non-dispersed mud system. Run open hole surveys. Will set 4-1/2" 10.5 ppf J55 production casing (or greater) from TD to surface. Will cement with 54 sx 'B' w/ 2% SMS (112 cuft) and tail in with 49 sx 'B' (58 cuft) cement to fill from total depth to surface. A cementing chronology will be recorded and submitted to the BLM after completion of the job. Top of Cement should circulate to surface (will adjust volumes based upon caliper log if available).

A ~5 bbl water spacer will be pumped ahead of the lead slurry to prevent mud contamination of the cement. If cement does not reach surface, a temperature log or cement bond log will be run to determine top of cement.

Will test Fruitland through perforated casing. Will fracture stimulate and put on for production test. Drilling operations below surface casing will be conducted with a Bag type BOP in place, minimum working pressure 1000 psi. Additional drilling technical details attached.

A pipeline route approval is also proposed as part of this APD as per the enclosed topographic map.

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
GENERAL REQUIREMENTS.

This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.3  
and appeal pursuant to 43 CFR 3165.4

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM If proposal to deepen, give present productive zone and proposed new productive zone.

COPIES: BLM+4, WELL FILE+1

24 I hereby certify that the foregoing is true and correct

Signed

Connie S. Dinning Title Production Engineer

Date July 11, 2003

(This space for Federal or State office use)

Permit No

Approval Date

Application approval does not warrant or certify that applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon  
Conditions of approval, if any

APPROVED BY:

TITLE

DATE

**FARMINGTON**

UN10883  
500  
100000

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

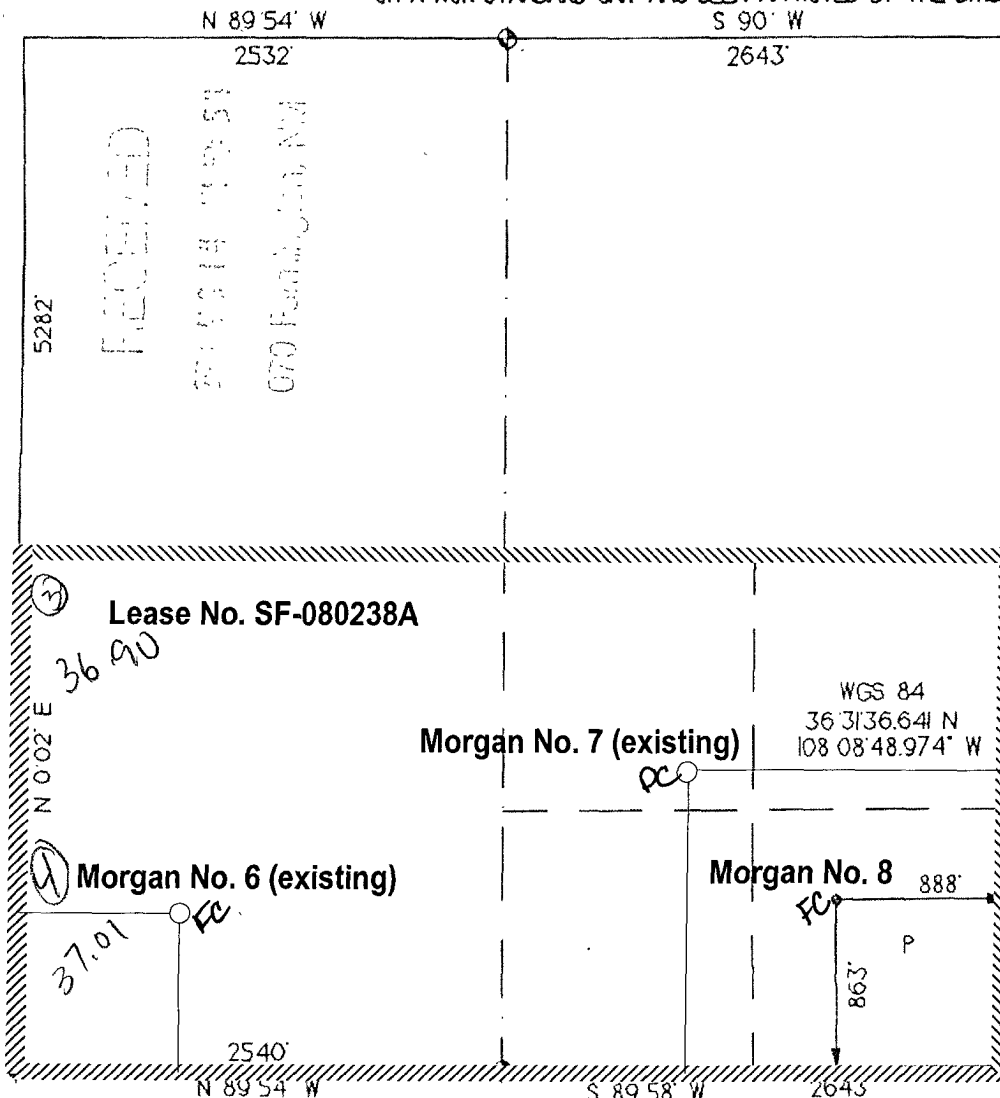
APA Number		Pool Code <b>71629</b>	Pool Name <b>Basin Fruitland Coal</b>
Property Code	Property Name <b>MORGAN</b>		Well Number <b>8</b>
OGRD No. <b>014634</b>	Operator Name <b>MERRION OIL &amp; GAS</b>		Elevation <b>5862'</b>

Surface Location									
UL or Lot <b>P</b>	Sec. <b>31</b>	Twp. <b>27 N.</b>	Rge. <b>12 W.</b>	Lot Idn. <b>sese</b>	Feet from > <b>863'</b>	North/South <b>SOUTH</b>	Feet from > <b>888'</b>	East/West <b>East</b>	County <b>SAN JUAN</b>

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County

Dedication <b>320</b>	Joint ?	Consolidation	Order No.
--------------------------	---------	---------------	-----------

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



<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <i>[Signature]</i>	
Printed Name	Connie S. Dinning
Title	Production Engineer
Date	July 11, 2003
<b>SURVEYOR CERTIFICATION</b> 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 <i>rev. 5/07/03</i>	
Signature and Seal of Professional Surveyor 	