



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-081101
3162.3-1 (111)

December 17, 2009

RCVD DEC 22 '09

OIL CONS. DIV.

DIST. 3

Merrion Oil & Gas Corporation
Attn.: Connie S. Dinning
610 Reilly Ave.
Farmington, NM 87401

45-31866

Dear Ms. Dinning:

Reference is made to your Application for Permit to Drill (APD) the **No. 3 Slice** well, located **1625' FSL and 2611' FEL, Section 4, T26N, R12W, San Juan County, New Mexico**. This APD was approved on July 12, 2005 with an expiration date of July 12, 2007. 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

by

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

4 Location of Well (Footages)

At Surface 1625' fsl & 2611' fel (nw se)

At proposed prod. zone Same

5 Lease Designation and Serial No
SF-081101

6 If Indian, Allottee or Tribe Name

7 If Unit or CA, Agreement Designation

8 Well Name and No.

Slice No. 3

9 API Well No

3004531866

10 Field and Pool, or Exploratory Area
Basin Fruitland

11 Sec., T., R., M., or BLK.
and Survey or Area

Section 4, T26N, R12W

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

18 miles south of Farmington NM, near Chaco Plant

12 County or Parish
San Juan

13 State
NM

15 Distance from Proposed Location to Nearest Property or Lease Line, Ft

1015'

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

~1143'

19 Proposed Depth

~1275'

20 Rotary or Cable Tools

Rotary

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

5990' GR, 5995' 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 (35 cuft)
6-1/4"	4-1/2" J55	10.5 ppf or greater	~1275' KB	~106 sx (159 cuft)

Merrion proposes to drill 8-3/4" hole with native mud to approx 120' and set 7" 20# or greater J55 surface casing, cement to surface with ~30 sx 'B' w/ 2% CaCl2 (35 cuft). Will drill 6-1/4" hole to TD @ approx 1275' KB with low solids non-dispersed mud system. Run open hole surveys. Will set 4-1/2" 10.5 ppf or greater J55 production casing from TD to surface. Will cement with 39 sx 'B' w/ 2% SMS (80 cuft) and tail in with 67 sx 'B' (79 cuft) cement to fill from total depth to surface. Top of Cement should circulate to surface (will adjust volumes based upon caliper log).

A 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 Coal 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 psig. Additional drilling technical details attached.

A pipeline route approval is also proposed as part of this APD as marked on the enclosed topo map.

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

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

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

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 August 13, 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

7/12/03

FARMINGTON

100,000

State of New Mexico
Engr. Minerals & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102

☐ AMENDED REPORT

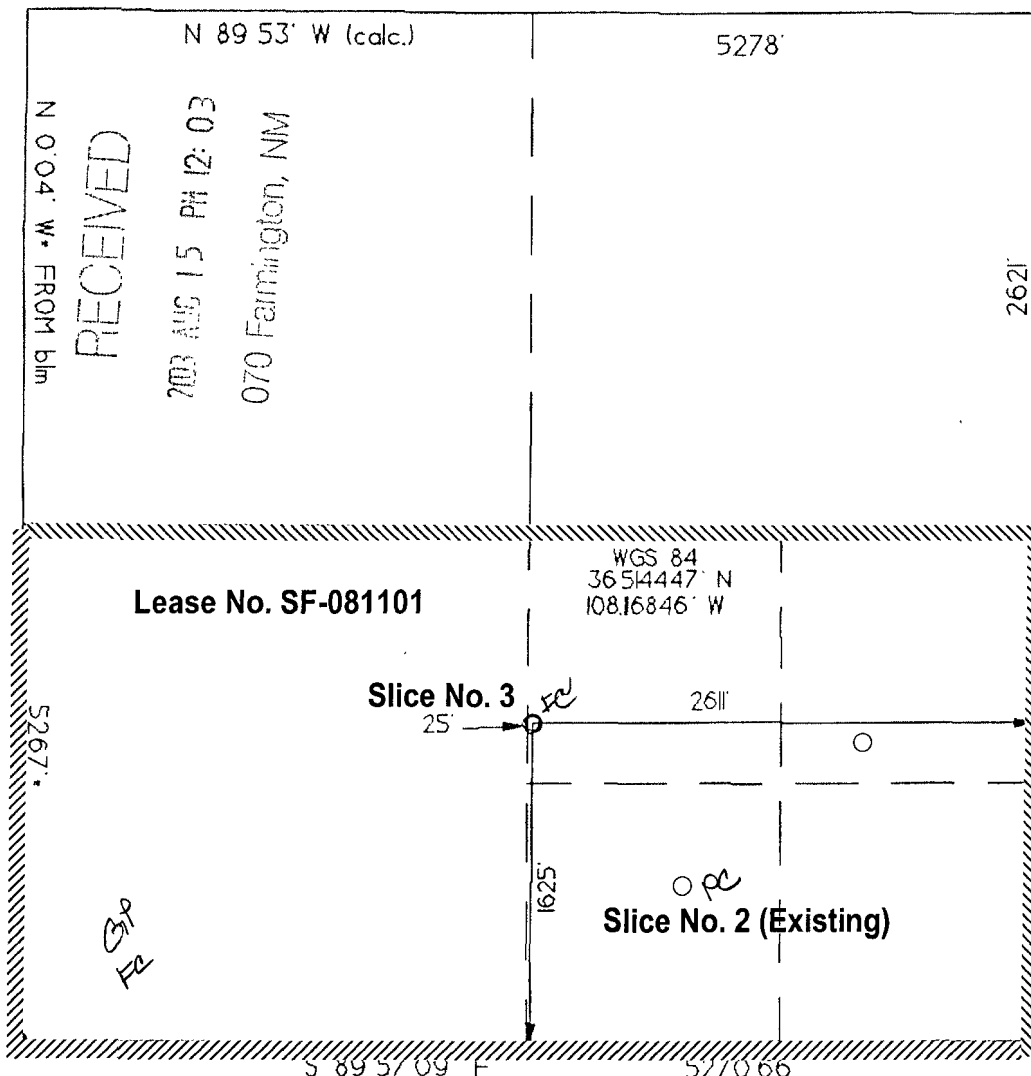
WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number		Pool Code	Pool Name Basin Fruitland Coal
Property Code	Property Name SLICE		Well Number 3
OGRID No. 014634	Operator Name MERRION OIL & GAS		Elevation 5990'

Surface Location									
U. or Lot J	Sec. 4	Twp. 26 N.	Rge. 12 W.	Lot Ltr. nwse	Feet from >	North/South SOUTH	Feet from >	East/West EAST	County SAN JUAN

Bottom Hole Location If Different From Surface									
U. or Lot	Sec.	Twp.	Rge.	Lot Ltr.	Feet from >	North/South	Feet from >	East/West	County
Dedication 320	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



OPERATOR CERTIFICATION

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

Signature

Connie S. Dinning

Printed Name Connie S. Dinning

Title Production Engineer

Date July 16, 2003

SURVEYOR CERTIFICATION

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

4/07/03

Signature and Seal of Professional Surveyor

GERALD S. SHULDES
NEW MEXICO
6844
REGISTERED LAND SURVEYOR