



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-078944A
3162.3-1 (111)

RCVD DEC 22 '09

OIL CONS. DIV.
DIST. 3

December 16, 2009

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

45-32805

Dear Ms. Dinning:

Reference is made to your Application for Permit to Drill (APD) the **No. 90S Nelson** well, located **1440' FNL and 875' FWL, Section 9, T26N, R12W, San Juan County, New Mexico**. This APD was approved on June 2, 2006 with an expiration date of June 2, 2008. 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,

Petroleum Management Team

cc: NMOCD

80

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 1440' fnl & 875' fwl (sw nw)

At proposed prod. zone Same

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

20 miles south of Farmington NM, near Chaco Plant

15 Distance from Proposed Location to Nearest (Also to nearest drlg. unit line, if any)

Property or Lease Line, Ft 875'

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

~1228'

19 Proposed Depth

~1350'

20 Rotary or Cable Tools

Rotary

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

5985' GR, 5990' 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	~1540' KB	~107 sx (178 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. 1350' 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 58 sx 'B' w/ 2% SMS (120 cuft) and tail in with 49sx '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 psig. Additional drilling technical details attached.

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

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

ENTERED
AFMSS

JAN 11 2005

BY

COPIES: BLM-5, WELL FILE+1

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".

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

24 I hereby certify that the foregoing is true and correct

Signed

Connie S. Dinning Title Production Engineer

Date December 29, 2004

(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

FARMINGTON

DATE

6/2/08

NW 0823
SW 120

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

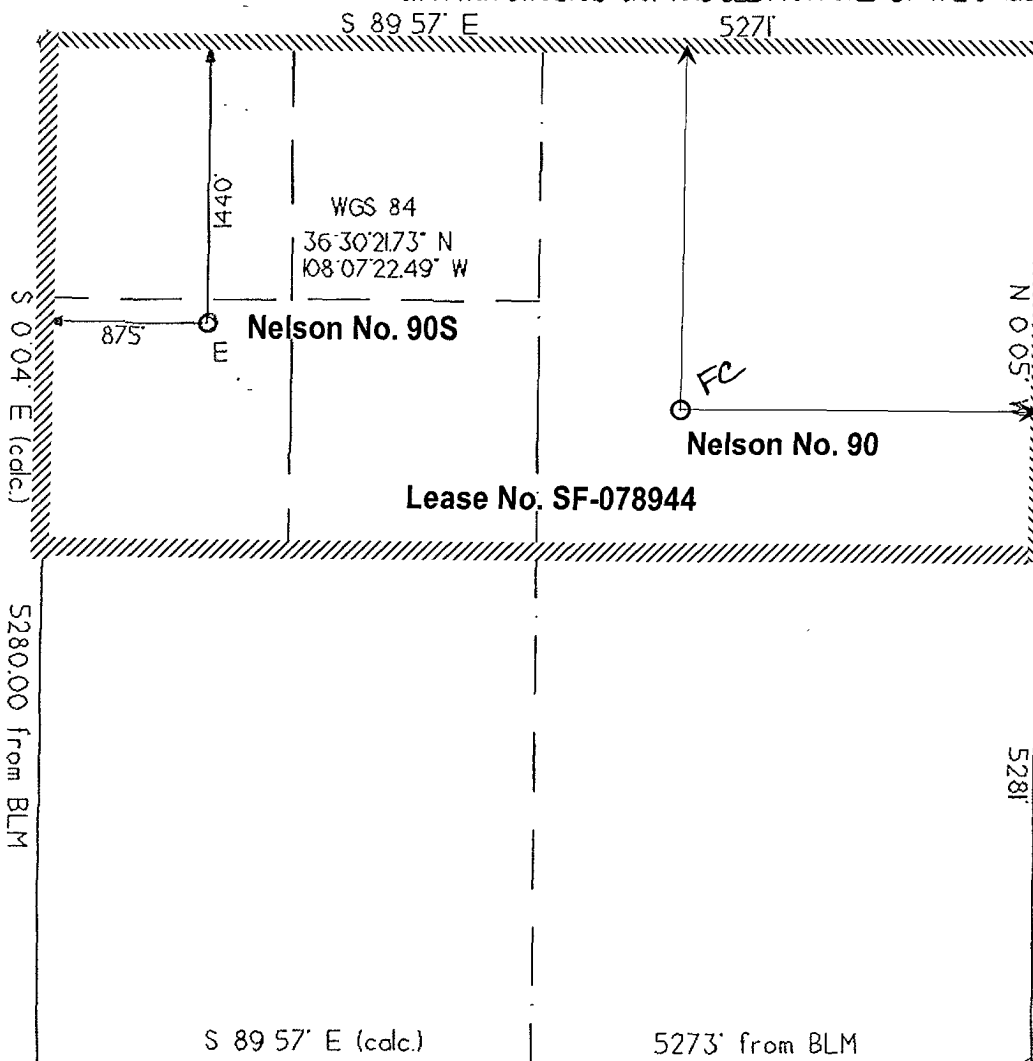
APA Number	Pool Code 71629	Pool Name Basin Fruitland
Property Code	Property Name NELSON	Well Number 90S
OGRD No. 014634	Operator Name MERRION OIL & GAS	Elevation 5985'

Surface Location									County
UL or Lot E	Sec. 9	Twp. 26 N.	Rge. 12 W.	Lot Idn. SWNW	Feet from > 1440'	North/South NORTH	Feet from > 875'	East/West WEST	SAN JUAN

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

Dedication 320	Joint ?	Consolidation	Order No.
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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	<i>[Signature]</i>
Printed Name	Connie S. Dinning
Title	Production Engineer
Date	September 24, 2004
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 9/02/'04	
Signature and Seal of Professional Surveyor <i>[Signature]</i> GERALD H. DILLISTON NEW MEXICO 6844 REGISTERED LAND SURVEYOR	