

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. 30-045-30421
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Possible Dream Com
8. Well No. 1
9. Pool name or Wildcat Basin Fruitland Coal/Fulcher Kutz PC

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	FEB 2004
2. Name of Operator Merrion Oil & Gas	
3. Address of Operator 610 Reilly Ave, Farmington, NM 87401	
4. Well Location Unit Letter D : 1026 feet from the North line and 1026 feet from the West line. Section 36 Township 30N Range 13W San Juan County	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5648' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Downhole Commingle <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

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 the Basin Fruitland Coal and to commingle the Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs according to the attached procedure.

See attached supporting data.

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

SIGNATURE [Signature] TITLE Production Engineer DATE 1/28/04

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

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. # DATE FEB 13 2004

Conditions of approval, if any:

District I

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-045-30421	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 026926	⁵ Property Name Possible Dream Com	⁶ Well Number 1
⁷ OGRID No. 014634	⁸ Operator Name Merrion Oil & Gas	⁹ Elevation 5648' GR

¹⁰ Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	30N	13 W	NESE	1026	North	1026	West	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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

¹⁶ 1026' fnl 1026' fwl Possible Dream Com No. 1				¹⁷ 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 Production Engineer Title January 19, 2004 Date
				¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown 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 Signature and Seal of Professional Surveyor: Certificate Number
Knight Com No.1 860' fwl 417' fsl				

MERRION OIL & GAS CORPORATION

COMPLETION PROCEDURE FRUITLAND COAL FORMATION

January 28, 2004

Well:	Possible Dream Com No. 1	Field:	Basin Fruitland
Location:	1026' fnl & 1026' fwl (nw nw) Sec 36, T30N, R13W, NMPM San Juan County, New Mexico	Elevation:	5653' RKB 5648' GL
By:	Connie Dinning	Lease:	FEE
		AFE No.:	20411

Procedure: *(Note: This procedure will be adjusted on site based upon actual conditions)*

Pull Tubing & Prepare to Frac

1. MIRU workover rig. POH w/ 3/4" rods and pump. ND WH, NU BOP's. Tag up on fill, pull 2 3/8" production tubing.
2. MIRU wireline truck. RIH w/ Drillable Composite Bridge Plug (DCBP) and set at $\pm 1626'$ KB per correlation log. (Note: RBP setting is critical, reference GR/collar log dated 7/13/01)
3. Load hole w/ 2% KCL water and pressure test DCBP to 3500 psi.

Perf & Frac Fruitland Coal

1. Order in frac/test tanks w/ risers, working external gages & two good 4" valves on each. Fill w/ 2% KCl city water (refer to fracture stimulation design for required useable volume).
2. Install frac valve on top of 4-1/2" casing.
3. Perforate Fruitland Coal with 3-1/8" casing gun, shot density at 3 jspf per Bartens Park Com No. 1 correlation log run 7/13/01 as follows:

1601 - 1620 ft	19 ft	57 holes	0.34" diameter
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4. RU Frac crew. Fracture stimulate the Fruitland Coal formation with 20# Cross linked gel system at 30 BPM with 100,000 lbs of 20/40 mesh Brady sand with sand flowback control or resin coated sand (spearhead 250 gals. 7.5% HCL ahead of frac) as per detailed design schedule.). **NOTE: Do not pump in and shut down. When pumping begins, stay on it until the job is complete. Do not exceed 3500 psi.**
5. Shut well in for gel break time. Open to pit.

Install Production Tubing

1. Rig down frac valve. Reinstall tubing head, nipple up BOPs.
2. RIH w/ tubing, clean out sand and drill out DCBP @ 1626' KB.
3. Clean out rat hole if necessary.
4. Pick up and tally 15' MA, SN, and 2 3/8" tubing in hole. Land tubing at $\pm 1660'$ KB below bottom of Pictured Cliffs perforations.

5. Nipple down BOPs, nipple up wellhead. Run rods and pump.

Attachments:

1. Wellbore Schematic after completion.
2. Possible Dream Com No. 1 Open hole survey strip from Induction log.
3. Fracture stimulation design.

MERRION OIL & GAS CORPORATION

WELLBORE SCHEMATIC

Possible Dream No. 1

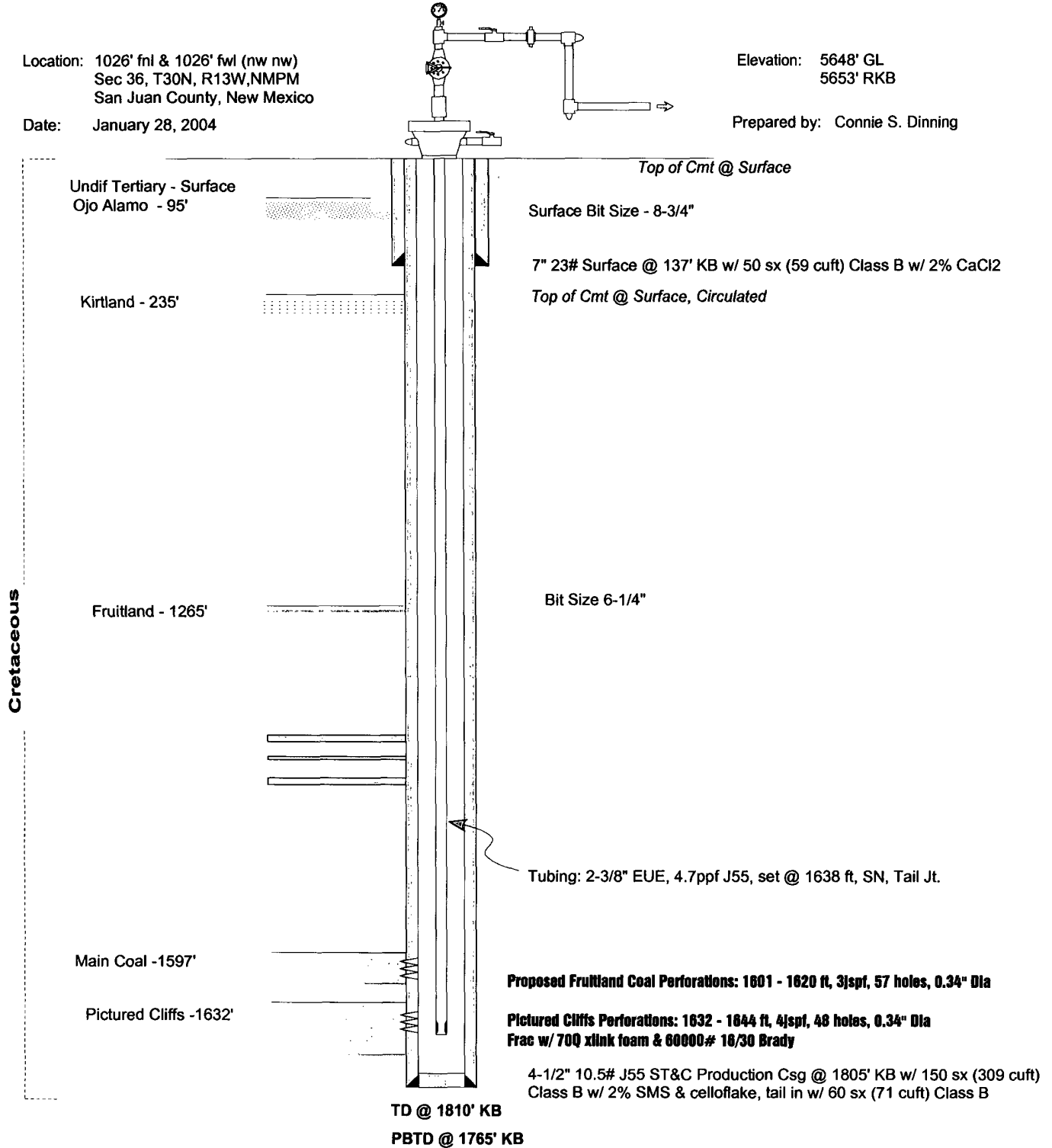
Proposed Wellbore Configuration

Location: 1026' fnl & 1026' fwl (nw nw)
Sec 36, T30N, R13W, NMPM
San Juan County, New Mexico

Date: January 28, 2004

Elevation: 5648' GL
5653' RKB

Prepared by: Connie S. Dinning

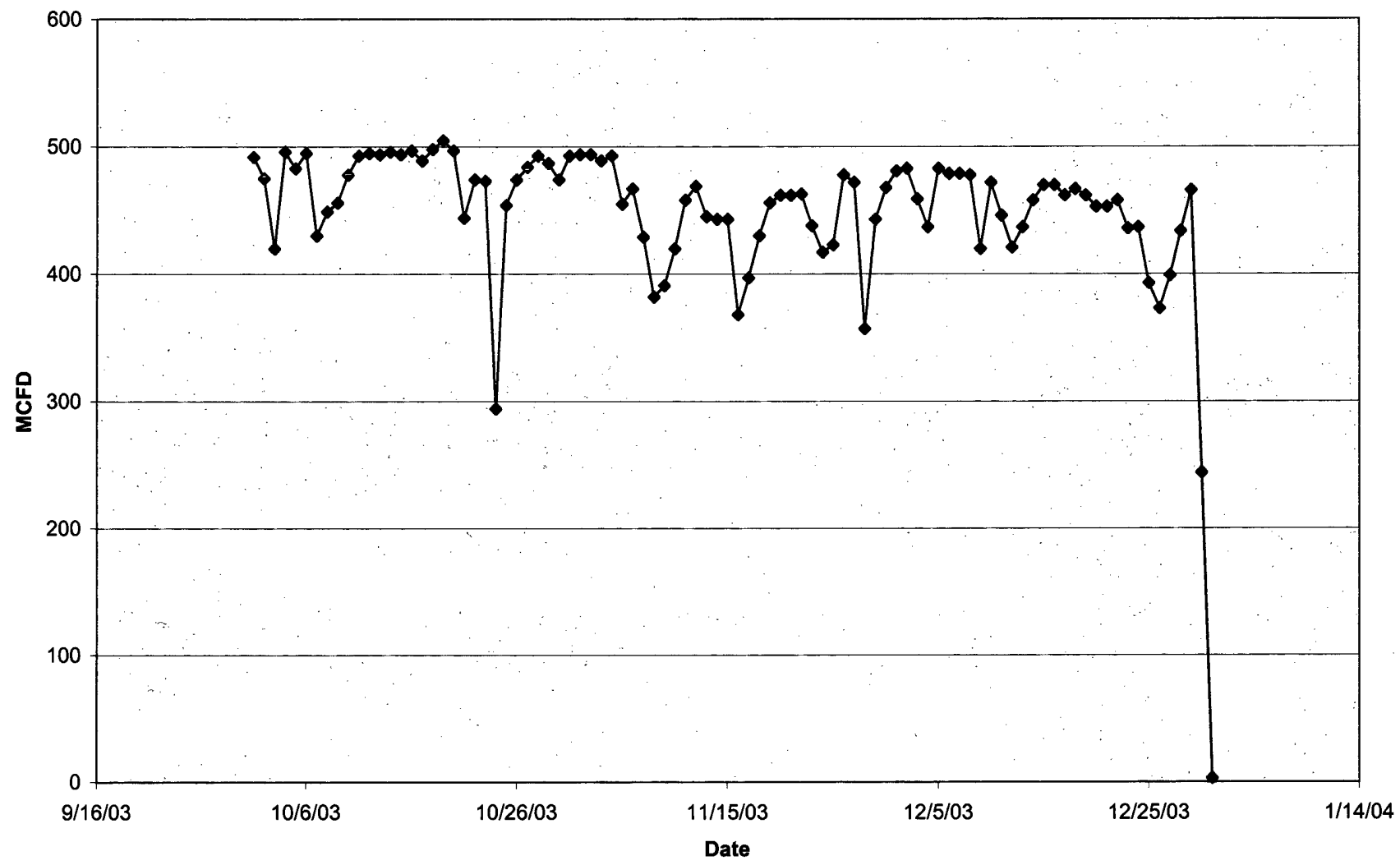


**SUPPORTING DATA FOR C-103
POSSIBLE DREAM COM NO. 1 COMMINGLE
BASIN FRUITLAND COAL (71629) AND
FULCHER KUTZ PICTURED CLIFFS (77200)**

This supplemental information is attached to the C-103 to commingle the subject well in the Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs pools.

1. The Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs have been pre-approved for commingling by order no. R-11363.
2. This well is currently perforated in the Pictured Cliffs from 1632' to 1644' at 4 spf, total 48 holes. We plan to add the Fruitland Coal interval according to the attached procedure from 1601' to 1620', 3 spf, total 57 holes.
3. The Pictured Cliffs is making approximately 460 MCFD as shown on the attached production plot. Pictured Cliffs production just before the commingling will be subtracted from the commingled production rate to determine the contribution from the Fruitland Coal Zone. A constant percentage shall be used to allocate the production between the zones. The Fruitland Coal addition to the Panther No. 1 offset well resulted in an incremental ± 150 MCFD. We expect similar production of about 150 MCFD from the Fruitland Coal in the Possible Dream Com No. 1. We do not anticipate any loss of production from either zone as a result of downhole commingling.
4. Ownership of the Fruitland Coal and Pictured Cliffs are not the same. Interest owners in both pools have been notified of the proposed commingling.
5. A copy of this application has been sent to the State Land Office.

Possible Dream PC Production



Panther No. 1 Production

