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811 S. First
Artesia, NM 88210
District III - (505) 334-6178
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Aztec, NM 87410
District IV

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-140
Originated 11/1/95

Submit Original
Plus 2 Copies
to appropriate
District Office

APPLICATION FOR
QUALIFICATION OF WELL WORKOVER PROJECT
AND CERTIFICATION OF APPROVAL

THREE COPIES OF THIS APPLICATION AND ALL ATTACHMENTS MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

- I. Operator: Merrion Oil & Gas Corporation OGRID #: 014634
Address: 610 Reilly Avenue, Farmington, New Mexico 87401-2634
Contact Party: Connie Dinning Phone: (505) 327-9801 Ext. 126
- II. Name of Well: Canyon Largo Unit No. 339 API #: 30-039-23400
Location of Well: Unit Letter C, 790 Feet from the N line and 1690 feet from the W line,
Section 6, Township 24N, Range 06W, NMPM; Rio Arriba County
- III. Date Workover Procedures Commenced: 12/14/95
Date Workover Procedures were Completed: 12/15/95
- IV. Attach a description of the Workover Procedures undertaken to increase the production from the Well.
- V. Attach an estimate of the production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Project Production) based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing Workover.
- VI. Pool(s) on which Production Projection is based: Devils Fork Gallup

VII. AFFIDAVIT:

State of New Mexico)
County of San Juan) ss.

Merrion O&G, being first duly sworn, upon oath states:

RECEIVED
OCT - 4 1996

OIL CON. DIV.
DIST. 3

1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.

(Name) Steven S. Dunn

Operations Manager

(Title)

10-3-96

SUBSCRIBED AND SWORN TO before me this 3rd day of October, 1996

Arthur J. Greeng

Notary Public

My Commission expires: August 7, 1998

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 12/15, 1995

35.8
District Supervisor, District
Oil Conservation Division

Date: 11/1/96

IX. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: _____

MERRION OIL & GAS CORPORATION

CANYON LARGO UNIT No. 339

WORKOVER

Dec. 14, 1995

Work Detail: RU pulling unit (Polanco Brothers) on 12/12/95. Blow down casing and tubing pressure. ND WH & NU BOP. RU HB&R and pump 35 bbls of hot oil down tbg. PU 7 jts & tag fill at 5807' KB. TOH with 176 jts. PU bailer & TIH w/bailer and tbg. CO to PBDT @ 5904' KB. Pull up and wait 30 mins. TIH, no fill. TOH with bailer. LD bailer. TIH with mud anchor, perforated sub. seating nipple and 176 jts of 2-3/8" tbg. Landed tbg @ 5842.53' KB, seating nipple at 5806.52' KB. ND BOP and ready rig to run rods and pump. Start running rods. SDFN. (JT)

Daily Cost: \$2,601

Cumulative Costs: \$2,601

Dec. 15, 1995

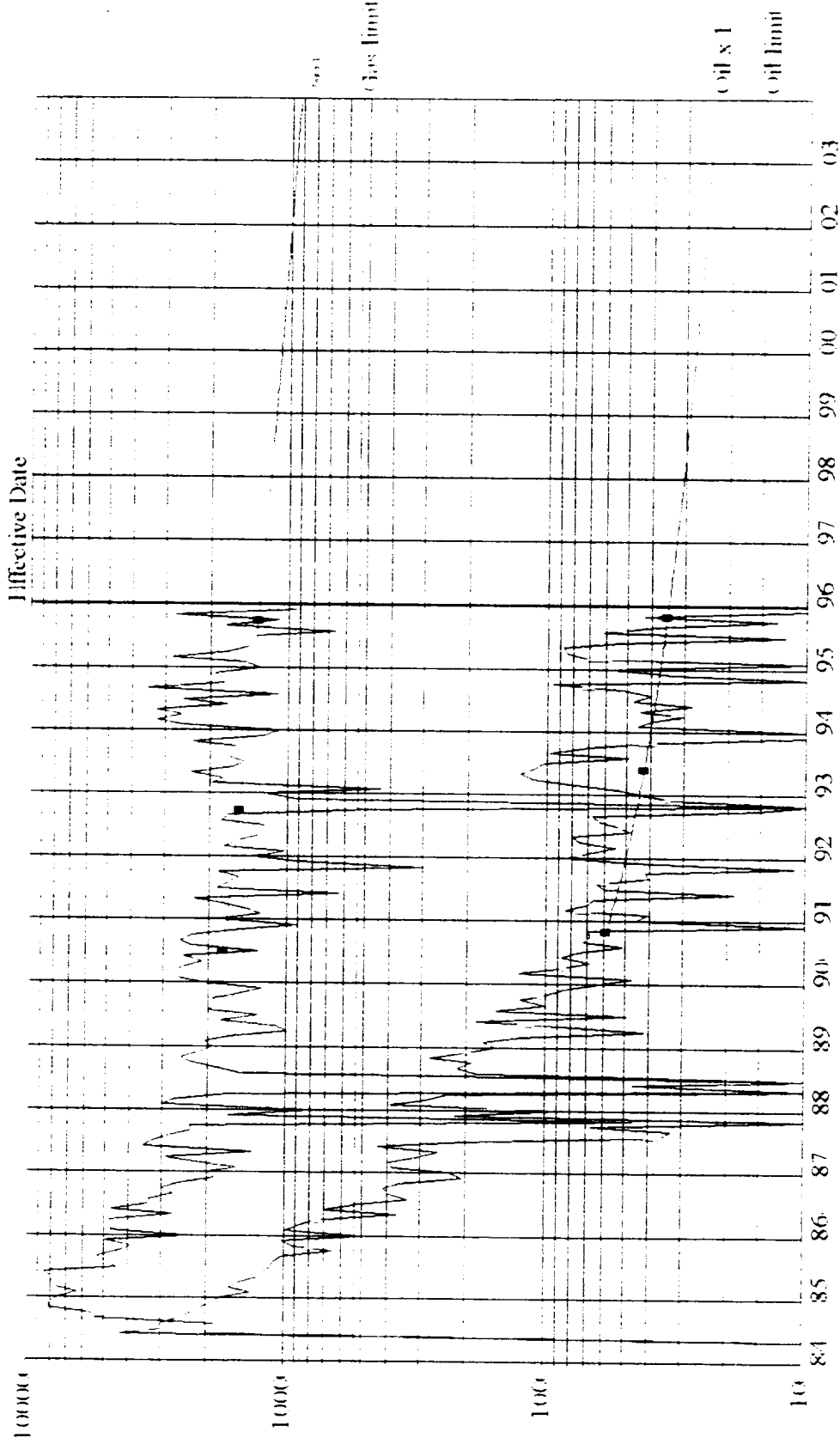
OFF REPORT

Work Detail: Finish TIH with 2" x 1-1/4" x 12' RHAC pump on 40 - 3/4" plain rods, 102 - 5/8" plain rods, 5 - 5/8" patco rods and 83 - 3/4" patco rods. Seated and spaced out pump. Loaded tubing with oil and pressure tested to 500# - held OK. Stroked pump with rig - action OK. Installed horse head and bridle. Hang rods off. RD pulling unit (Polanco Brothers) on 12/14/95. (JT)
Note: Per CCM move and set Lufkin 114 PU & FM 345 engine from CLU #348.

Daily Cost: \$3016

Cumulative Costs: \$5,617

CLU 339 (000339), Dev Fk GILP



CLU 339 (000339)
Dev Fk GILP
MOG
Rio Arriba, NM

Cumulative:	Oil (bbl)	Gas (mcf)	Water (bbl)
Remaining:	50,073	333,195	0
Ultimate:	7,019	268,814	0
	57,092	602,009	0

Section V - Attachment to Well Workover Form C-140								
CANYON LARGO UNIT #339								
Month	Projection (BOPM)	(MCFM)	Month	Projection (BOPM)	(MCFM)	Month	Projection (BOPM)	(MCFM)
Aug-96	33.0	1300	Apr-00	20.1	1048	Dec-03	12.3	845
Sep-96	32.6	1294	May-00	19.9	1043	Jan-04	12.2	841
Oct-96	32.3	1287	Jun-00	19.7	1037	Feb-04	12.0	836
Nov-96	31.9	1281	Jul-00	19.5	1032	Mar-04	11.9	832
Dec-96	31.5	1274	Aug-00	19.2	1027	Apr-04	11.7	828
Jan-97	31.2	1268	Sep-00	19.0	1022	May-04	11.6	824
Feb-97	30.8	1261	Oct-00	18.8	1017	Jun-04	11.5	820
Mar-97	30.5	1255	Nov-00	18.6	1012	Jul-04	11.3	816
Apr-97	30.1	1249	Dec-00	18.4	1007	Aug-04	11.2	812
May-97	29.8	1243	Jan-01	18.2	1002	Sep-04	11.1	807
Jun-97	29.4	1236	Feb-01	18.0	997	Oct-04	11.0	803
Jul-97	29.1	1230	Mar-01	17.8	992	Nov-04	10.8	799
Aug-97	28.8	1224	Apr-01	17.5	987	Dec-04	10.7	795
Sep-97	28.4	1218	May-01	17.3	982	Jan-05	10.6	791
Oct-97	28.1	1212	Jun-01	17.2	977	Feb-05	10.5	788
Nov-97	27.8	1206	Jul-01	17.0	972	Mar-05	10.3	784
Dec-97	27.5	1200	Aug-01	16.8	967	Apr-05	10.2	780
Jan-98	27.1	1194	Sep-01	16.6	962	May-05	10.1	776
Feb-98	26.8	1188	Oct-01	16.4	958	Jun-05	10.0	772
Mar-98	26.5	1182	Nov-01	16.2	953	Jul-05	9.9	768
Apr-98	26.2	1176	Dec-01	16.0	948	Aug-05	9.8	764
May-98	25.9	1170	Jan-02	15.8	943	Sep-05	9.7	760
Jun-98	25.6	1164	Feb-02	15.6	939	Oct-05	9.5	757
Jul-98	25.3	1158	Mar-02	15.5	934	Nov-05	9.4	753
Aug-98	25.1	1153	Apr-02	15.3	929	Dec-05	9.3	749
Sep-98	24.8	1147	May-02	15.1	925	Jan-06	9.2	745
Oct-98	24.5	1141	Jun-02	14.9	920	Feb-06	9.1	742
Nov-98	24.2	1135	Jul-02	14.8	915	Mar-06	9.0	738
Dec-98	23.9	1130	Aug-02	14.6	911	Apr-06	8.9	734
Jan-99	23.7	1124	Sep-02	14.4	906	May-06	8.8	730
Feb-99	23.4	1118	Oct-02	14.3	902	Jun-06	8.7	727
Mar-99	23.1	1113	Nov-02	14.1	897	Jul-06	8.6	723
Apr-99	22.9	1107	Dec-02	13.9	893	Aug-06	8.5	720
May-99	22.6	1102	Jan-03	13.8	888	Sep-06	8.4	716
Jun-99	22.3	1096	Feb-03	13.6	884	Oct-06	8.3	712
Jul-99	22.1	1091	Mar-03	13.5	879	Nov-06	8.2	709
Aug-99	21.8	1085	Apr-03	13.3	875	Dec-06	8.1	705
Sep-99	21.6	1080	May-03	13.2	871			
Oct-99	21.3	1075	Jun-03	13.0	866			
Nov-99	21.1	1069	Jul-03	12.9	862			
Dec-99	20.8	1064	Aug-03	12.7	858			
Jan-00	20.6	1058	Sep-03	12.6	853			
Feb-00	20.4	1053	Oct-03	12.4	849			
Mar-00	20.1	1048	Nov-03	12.3	845			