

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 87240  
District II  
811 South First, Artesia, NM 87210  
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

Form C-103  
Revised March 25, 1999

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

WELL API NO.  
30-045-30425

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.  
Communitized

7. Lease Name or Unit Agreement  
Name:

Pinon Hills Com (26820)

8. Well No.

001E

9. Pool name or Wildcat  
Basin Dakota (71599)

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 ☐ Gas Well ☒ Other

2. Name of Operator

MERRION OIL & GAS CORPORATION (014634)

3. Address of Operator

610 Reilly Avenue, Farmington, New Mexico 87401-2634

4. Well Location

Unit Letter A ; 456 feet from the North line and 677 feet from the East line

Section 36

Township 30N

Range 13W NMPM

County San Juan

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
5601' GL

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Transfer drilling water to another reserve pit. ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

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 recompletion.

Merrion Oil & Gas requests permission to transfer free water from the drilling reserve pit to the Flush 1 reserve pit that is located in Unit F of Section 2, T26N, R13W, San Juan County. The Flush 1 is also operated by Merrion and presently undergoing completion for use as a produced water disposal well.

The Pinon Hills 1E well is located in the city of Farmington and it is important to begin pit clean up as soon as possible. Transferring the free water would facilitate the process of drying the pit and burying in place.

The additives put in the drilling mud includes clay, PHPA polymer, fresh water, Mil Pak, Desco, Barite and lime. All of these products are environmentally safe in the concentrations used and are water well safe. The polymer adds viscosity and is also used as a texturizer in foods. The MilPak is a fluid loss additive and is a cellulose derivative. The Desco is a mud thinner that causes the mud to turn a reddish purple color but is safe in the concentrations present (3 sacks used). The lime is added to flocculate and drop out drill solids. I have attached MSDS sheet for the Desco mud thinner per your request.

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

SIGNATURE Steven S. Dunn TITLE Drilling & Production Manager DATE 3-27-01

Type or print name Steven S. Dunn Telephone No. (505) 327-9801

(This space for State use)

APPROVED BY Original Signed by FRANK T. CHAVEZ TITLE SUPERVISOR DISTRICT # 3 DATE MAR 29 2001  
Conditions of approval, if any:

**INTEQ**2001 Rankin Road  
Houston, Texas 77073**MATERIAL SAFETY DATA SHEET**EMERGENCY TELEPHONE: (713) 439-8900  
CHEMTREC: 1-800-424-9300**I. MANUFACTURER'S INFORMATION:**

Manufacturer:	BAKER HUGHES INTEQ	HMIS Hazard	Health	2	Minimal	0
Product Name:	DESCO-CF	Rating and Key	Flammability	0	Slight	1
Chemical Name:	DRILLING FLUID THINNER		Reactivity	0	Moderate	2
Chemical Description:	CHROME FREE THINNER		Personal		Serious	3
			Protection	H	Severe	4

Proper Shipping Description: DRILLING FLUID COMPOUND, N.O.S.  
Hazard Class: NOT REGULATED UN Number: NONE Hazard Label: NA DOT Response Guide: NONE  
Transportation Note: NA

**II. HAZARD IDENTIFICATION:**

Hazardous Components:	ACGIH TLV:	OSHA PEL:	%	CAS Number:	Product RQ:
NUISANCE PARTICULATES	10 MG/M3	15 MG/M3	NA	NA	NA

**Hazards Associated with Product Use**

Yes	Yes	Yes	Yes
Combustible Liquid	Flammable Material	Pyrophoric Material	Explosive Material
Unstable Material	Water Reactive Material	Oxidizer	Organic Peroxide
Corrosive Material	Compressed Gas	Irritant	Nuisance Particulate X
Skin Hazard	Eye Hazard X	Toxic Agent	Highly Toxic Agent
Sensitizer	Carcinogen	Reproductive Toxin	Blood Toxin
Nervous System Toxin	Lung Toxin	Liver Toxin	Kidney Toxin

**Community Right-to-Know (SARA Title III Section 311-312)**

Fire: Sudden Release Of Pressure: Reactivity: Immediate (Acute): X Delayed (Chronic):

**III. PHYSICAL DATA:**

Boiling Point (F):	NA	Vapor Pressure (mmHg):	NA	pH: >7
Melting Point(F):	NA	Vapor Density (Air=1):	NA	Specific Gravity: NA
Freezing Point(F):	NA	Solubility In Water:	APPRECIABLE	Percent Volatile By Volume (%): NA
Odor Threshold:	NA	Appearance And Odor:	RED BROWN SOLID, NONE	Evaporation Rate (____=1): NA
Material Is:	MIX POWDER	Coefficient of Water/Oil Distribution:	NA	

**IV. FIRE & EXPLOSION HAZARD DATA:**

Flashpoint (F):	NA	Auto Ignition Temperature (F):	NA	Explosive Limit - Lower:	NA	Upper:	NA
Extinguishing Media:	Water:	CO2:	Dry Chemical:	Foam:	Fog:		

**Hazardous Combustion Products:**

SULFUR AND CARBON OXIDES ARE RELEASED WHEN BURNED.

**Fire Fighting Procedures:**

IN CASE OF FIRE, SMOTHER WITH DRY SAND, GROUND LIMESTONE OR DRY POWDER-TYPE AGENTS SPECIALLY DESIGNED FOR METAL POWDER FIRES. DO NOT USE CARBON DIOXIDE EXTINGUISHERS OR WATER.

**Unusual Fire and Explosion Hazards:**

NONE

**V. REACTIVITY DATA:**

Chemically Stable: Yes: X NO: If no, Under Which Conditions? AVOID CONTACT WITH OTHER CHEMICALS.

Incompatibility (Materials to Avoid): OXIDIZING AGENTS AND ALKALINES.

Hazardous Decomposition on Byproducts: SULFUR DIOXIDE AND OXIDES.

Hazardous Polymerization	May Occur:	Will Not Occur:	X	Conditions to Avoid:	NA
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ND - Not Determined

NA - Not Applicable

T - Total Dust

R - Respirable Fraction

C - Ceiling Limit

**VI. HEALTH HAZARD INFORMATION:**

Primary Exposure Route:	Skin Contact:	Skin Absorption:	Eye Contact:	X	Inhalation:	X	Ingestion:
Product Carcinogenicity -	NTP: NA	IARC: NA					

**Acute Effects of Overexposure:**

MAY CAUSE EYE IRRITATION WITH REDNESS AND ITCHING.

**Chronic Effects of Overexposure:**

REPEATED INHALATION OF HIGH DUST CONCENTRATIONS MAY CAUSE IRRITATION TO MUCOUS MEMBRANES OF THE NOSE, THROAT, AND UPPER RESPIRATORY TRACT. MAY CAUSE GASTROINTESTINAL TRACT IRRITATION, SHOCK, LIVER DAMAGE, RAPID HEART BEAT, AND DEATH.

**VII. EMERGENCY AND FIRST AID INSTRUCTIONS:**

Eyes:	HOLD EYELIDS APART AND FLUSH EYES WITH WATER FOR AT LEAST 15 MINUTES. CALL A PHYSICIAN IF IRRITATION PERSISTS.
Skin:	REMOVE CONTAMINATED CLOTHING. FLUSH CONTAMINATED AREA WITH LARGE AMOUNTS OF WATER. WASH WITH SOAP AND WATER.
Ingestion:	GIVE TWO GLASSES OF WATER. IF SYMPTOMS DEVELOP, SEEK MEDICAL ATTENTION.
Inhalation:	REMOVE TO FRESH AIR. IF NOT BREATHING, GIVE ARTIFICIAL RESPIRATION. IF BREATHING IS DIFFICULT, GIVE OXYGEN.

**VIII. ENVIRONMENTAL PROTECTION PROCEDURES:****Spill Response:**

WEAR SUITABLE PROTECTIVE EQUIPMENT. CONTAIN THE SPILL. KEEP OUT OF WATERWAYS AND SEWERS.

**Waste Disposal Method:**

DISPOSE OF IN ACCORDANCE WITH LOCAL, STATE AND FEDERAL REGULATIONS.

**Handling:**

CAUTION! MAY CAUSE EYE AND RESPIRATORY TRACT IRRITATION. AVOID CONTACT WITH EYES. DO NOT BREATHE. WASH THOROUGHLY AFTER HANDLING.

**Storage:**

USE WITH ADEQUATE VENTILATION. KEEP CONTAINER CLOSED WHEN NOT IN USE. AVOID VERY DUSTY CONDITIONS. STORE AWAY FROM HEAT, SPARKS AND OPEN FLAMES.

**IX. OCCUPATIONAL CONTROL MEASURES:**

Respiratory Protection:	USE NIOSH/MSHA APPROVED AIR PURIFYING RESPIRATOR TO PREVENT RESPIRATORY IRRITATION.
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Ventilation:	USE ADEQUATE VENTILATION TO CONTROL EXPOSURE.
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Clothing:	WEAR LONG PROTECTIVE CLOTHING WITH AN APRON OR COVERALLS FOR ADDED PROTECTION.
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Eyewear:	USE SAFETY GLASSES OR GOGGLES. REMOVE CONTACT LENSES IF PRESENT.
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Gloves:	WEAR IMPERVIOUS GLOVES.
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Footwear	WEAR NORMAL SAFETY BOOTS.
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**X. ADDITIONAL INFORMATION:****DISCLAIMER**

The statements, information, and data provided in this material safety data sheet are believed reliable and accurate by Baker Hughes INTEQ and its responsible personnel; however, no other guarantee, representation, warranty or responsibility is expressed or implied to any user, regardless of reliance on all or any part thereof. This includes warranties or merchantability or of fitness for a particular purpose, and Baker Hughes INTEQ assumes no responsibility whatever for advice or recommendations made. Nothing contained herein should be interpreted as permission, inducement, or condonement to violate any law pursuant to this product's use, conveyance or disposal.

Prepared By: Jim Rushing

Date Prepared: 05/01/94

Supersedes Issue Date 03/08/90

ND - Not Determined

NA - Not Applicable

&gt; - Greater Than

&lt; - Less Than

C- Ceiling Limit