

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. 30-045-30431
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Communitized
7. Lease Name or Unit Agreement Name: HEIGHTS COM (26819)
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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 <u>M</u> ; <u>400</u> feet from the <u>South</u> line and <u>885</u> feet from the <u>West</u> line Section <u>36</u> Township <u>30N</u> Range <u>13W</u> NMPM County <u>San Juan</u>	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5545'	

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 Heights Com 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 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 4/02/01

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

(This space for State use) Verbal was given

APPROVED BY Kenny Hunt TITLE Environmental Geologist DATE 4/19/01
Conditions of approval, if any: