

DATE IN 11/04/13	SUSPENSE DHC suspended	ENGINEER PRG	LOGGED IN 11/06/13	TYPE DHC & SD	DHC APP NO. PPRG 133 104 4077
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



SD PPRG 133 104 3522
 RECEIVED OGD
 11/04/13 P 2:21

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☒ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

Merrion Oil & Gas

Blueberry Buckle Com #1
 30-039-25415

State Pat #1A
 30-039-26177

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

DHC for State

Pat #1A

[Blanco Pictured cliffs
 &

Blanco Mesavado]

Pre-approved
 Pools

DHC for Blueberry

DHC-1026

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Philana Thompson
 Print or Type Name

Signature

Regulatory Compliance Specialist
 Title

10/31/13
 Date

pthompson@merrion.bz
 e-mail Address

correction required



October 31, 2013

New Mexico Oil Conservation Division
1220 S. St. Francis Dr
Santa Fe, NM 87505

**Re: Application for DHC & Simultaneous Dedication
State Pat #1A 30-039-26177 UL C, S32 T30N, R7W Rio Arriba Co.
Blueberry Buckle Com #1 30-039-25415 ULD, S32 T30N, R7W Rio Arriba Co.**

Dear Ms. Bailey:

Merrion Oil & Gas Corporation respectfully requests authorization to simultaneously dedicate an existing standard 160 acre gas spacing and proration unit in the Blanco Pictured Cliff pool (72359) comprising of the NW/4 of Section 32, Township 30N, Range 7W, NMPM, Rio Arriba County, New Mexico to the following described wells:

**State Pat #1A 30-039-26177 UL C, S32 T30N, R7W Rio Arriba Co.
Blueberry Buckle Com #1 30-039-25415 ULD, S32 T30N, R7W Rio Arriba Co.**

The State Pat #1A is currently completed in the Blanco Mesa Verde pool. The Blueberry Buckle Com #1 is currently completed in the Basin Fruitland Coal and Blanco Pictured Cliffs as a down hole commingled completion. The Blueberry Buckle Com #1 is currently dedicated in the Blanco Pictured Cliffs pool to an existing 160 acre gas spacing unit comprising the NW/4 of section 32.

The Blanco Pictured Cliff pool is currently governed by Division Rule 19.15.15.10 NMAC which requires that wells be located on a standard unit comprising 160 acres. The well shall be located in a spacing unit consisting of 160 surface contiguous acres, more or less, substantially in the form of a square that is a quarter section and a legal subdivision of the United States public land surveys and shall be located no closer than 660 feet to an outer boundary of the unit and no closer than 10 feet to a quarter-quarter section or subdivision inner boundary.

The proposed completion of the Blanco Pictured Cliffs pool within the State Pat #1A will increase the gas recovery from the Blanco formation within the NW/4 of section 32, thereby preventing waste.

610 Reilly Avenue
Farmington, NM 87401
main 505.324.5300
fax 505.324.5350

Re: Application for DHC & Simultaneous Dedication
State Pat #1A 30-039-26177 UL C, S32 T30N, R7W Rio Arriba Co.
Blueberry Buckle Com #1 30-039-25415 ULD, S32 T30N, R7W Rio Arriba Co.
Page 2

Please be advised that all 160-acre spacing units offsetting the NW/4 of Section 32 are currently operated by Burlington Resources (ConocoPhillips). These offsets are outlined on the State Pat #1A offset acreage map (attached). Please be further advised that the interest ownership between the NW/4 of Section 32 is common throughout. Consequently notice of this application is not required to any party.

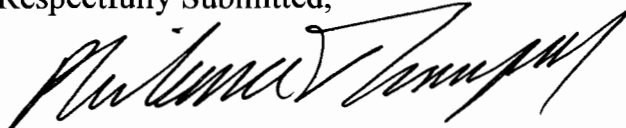
Attached is a C-102 showing the State Pat #1A and Blueberry Buckle Com #1.

Included in this administrative application is also a request to Down Hole Commingle the Blanco Pictured Cliffs (72359) and Blanco Mesaverde (72319) in the State Pat #1A

In summary, approval of the application will afford Merrion Oil & Gas the opportunity to recover additional gas reserves from the Blanco Pictured Cliffs pool in the NW/4 of Section 32 that may otherwise not be recovered by the existing well, thereby preventing waste, and will not violate correlative rights.

If you have any concerns, please contact me at 505-324-5336

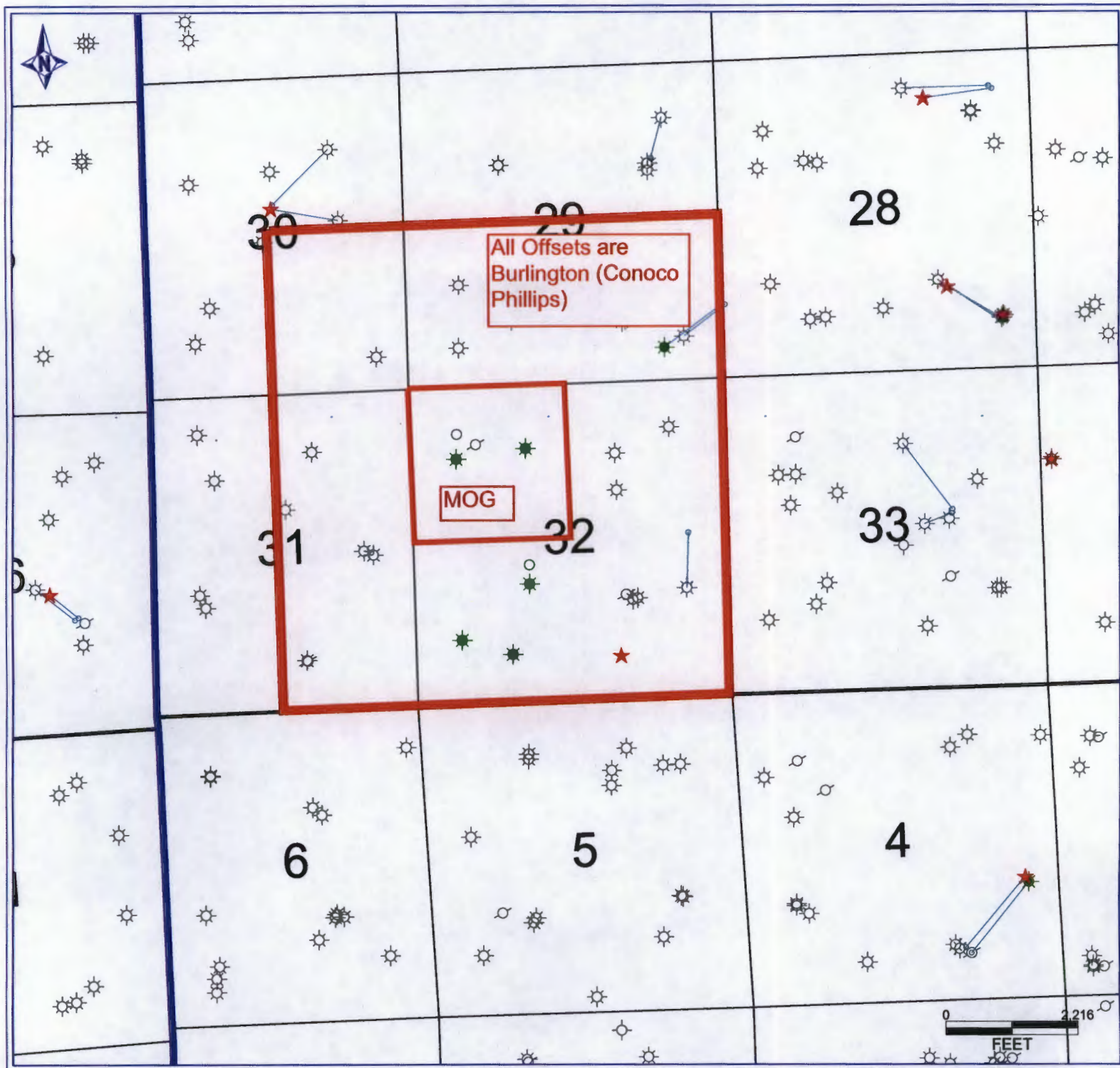
Respectfully Submitted,



Philana Thompson

Merrion Oil & Gas, Regulatory Compliance Specialist
610 Reilly Ave
Farmington, NM 87401
505-324-5336
pthompson@merrion.bz

State Pat #1A Offset Acreage



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26177	² Pool Code 72359	³ Pool Name Blanco Pictured Cliffs
⁴ Property Code 24590	⁵ Property Name State Pat	⁶ Well Number 1A
⁷ OGRID No.	⁸ Operator Name Merrion Oil & Gas Corporation	⁹ Elevation 6220'

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
C	32	30N	7W		1065	N	1940	W	Rio Arriba

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 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p>		
	<p>Signature Date 7/24/13</p>		
	<p>Printed Name Connie S. Dinning</p>		
	<p>E-mail Address cdinning@merrion.bz</p>		
<p>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.</p>		<p>Date of Survey Signature and Seal of Professional Surveyor:</p>	
<p>Certificate Number</p>			



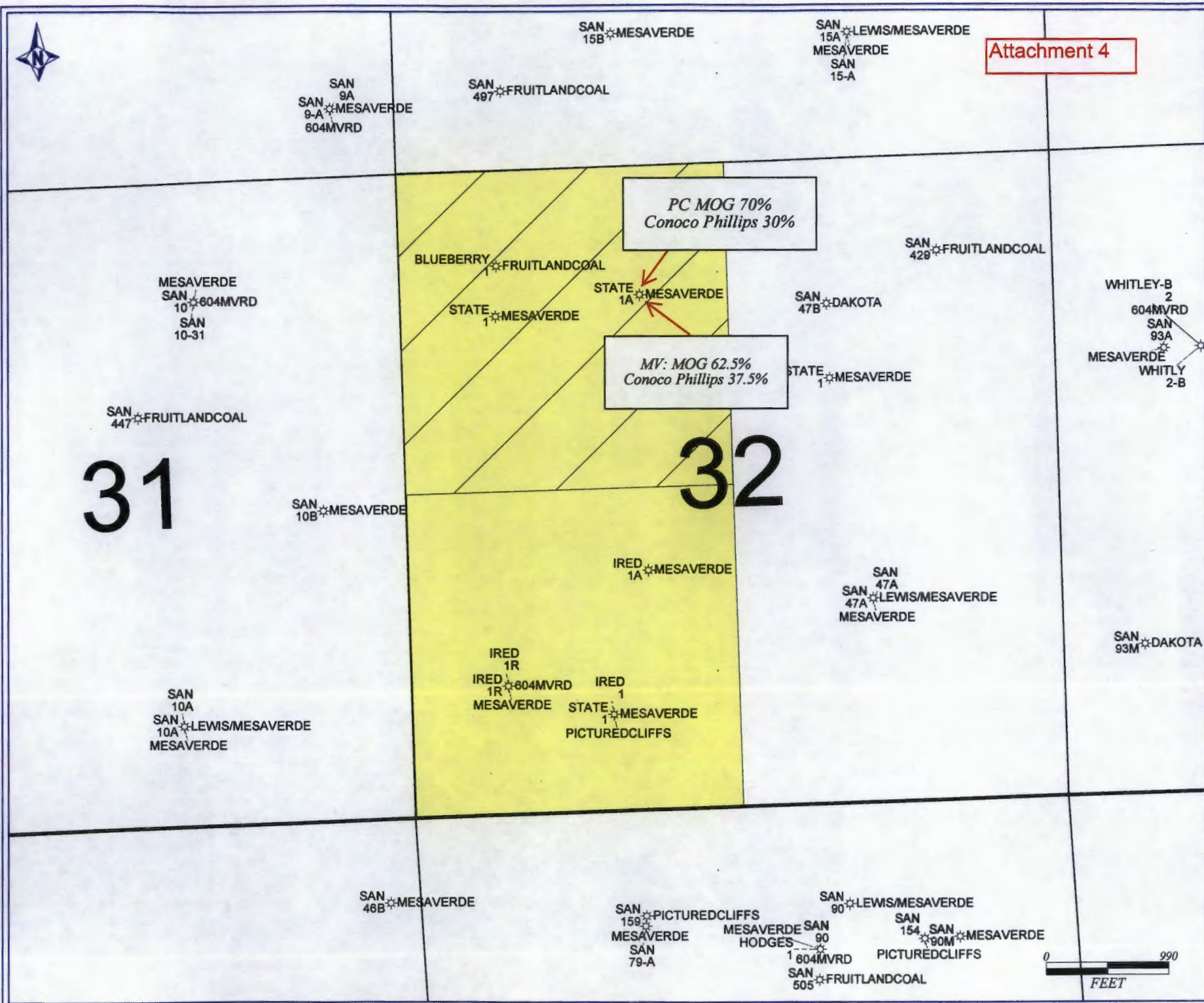
Attachment 4

31

32

PC MOG 70%
Conoco Phillips 30%

MV: MOG 62.5%
Conoco Phillips 37.5%



0 990
FEET

District I
 P.O. Box 1900, Hobbs, NM 88240-1900
 District II
 P.O. Drawer 883, Artesia, NM 88211-0719
 District III
 1070 N. Main St., Alamogordo, NM 87001
 District IV
 P.O. Box 2000, Santa Fe, NM 87504-2000

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30039-26177		Well Code 72319	Well Name Blanco Mesaverde
Property Code 24590	Property Name State Pat		Well Number 1A
UGRID No. 014634	Operator Name Merrion Oil & Gas Corporation		Elevation 6220'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ids.	Feet from the	North/South line	Feet from the	East/West line	County
1C	32	30 N	7 W		1065'	North	1940'	West	Rio Arriba

11 Bottom Hole Location If Different From Surface

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

Dedicated Acres 160	Lease or L&L Y	Consolidation Code	Order No.
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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

	<p>RECEIVED MAY - 6 1999 OIL CON. DIV. DIST. 3</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Steven S. Dunn</i> Signature Steven S. Dunn Printed Name Drilling & Production Manager Title May 5, 1999 Date</p>
		<p>18 SURVEYOR CERTIFICATION</p> <p>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 knowledge and belief.</p> <p>State of New Mexico Seal of Professional Surveyor 6844 <i>[Signature]</i> Date of Survey Certificate Number</p>

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number 30-039-25415	' Pool Code 72359	' Pool Name Blanco Pictured Cliffs <i>EXT</i>
' Property Code 15047	' Property Name BLUEBERRY BUCKLE	' Well Number # 1
' OGRID No. 014634	' Operator Name MERRION OIL & GAS CORPORATION	' Elevation 6208'

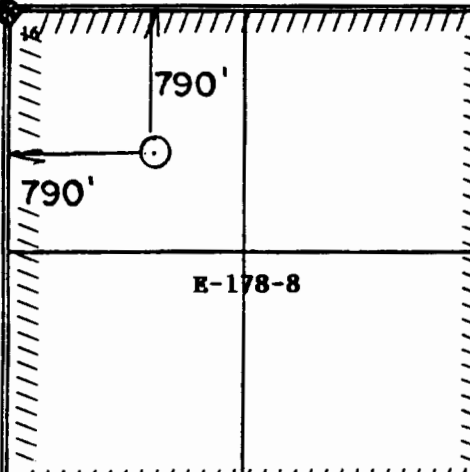
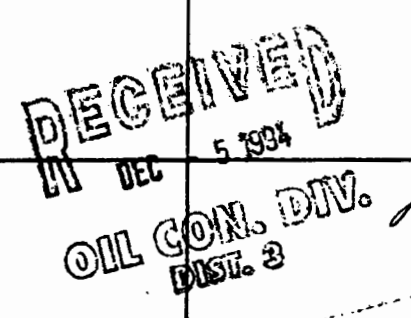
¹⁰ Surface Location

UL or lot no. D	Section 32	Township 30N	Range 7W	Lot Ida	Feet from the 790	North/South line NORTH	Feet from the 790	East/West line West	County RIO ARRIBA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 160	¹³ Joint or Infill Y	¹⁴ Consolidation Code C	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

		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Steven S. Dunn</i> Signature Steven S. Dunn Printed Name Operations Manager Title December 2, 1994 Date</p>
		<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p><i>6844</i> Date of Survey Signature and Seal of Professional Surveyor 6844 REGISTERED LAND SURVEYOR Certificate Number</p>

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

②

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-25415		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 15047	Property Name BLUEBERRY BUCKLE		Well Number # 1
OGRID No. 014634	Operator Name MERRION OIL & GAS CORPORATION		Elevation 6208'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
D	32	30N	7W		790	NORTH	790	West	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres 320	¹³ Joint or Infill Y	¹⁴ Consolidation Code C	¹⁵ Order No.
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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 ***** E-178-8 *****	 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Steven S. Dunn Printed Name Operations Manager Title December 2, 1994 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 6844 Certificate Number
E-178-9 *****		



October 31, 2013

Burlington Resources (Conocophillips)
3401 E 30th
Farmington, NM 87401

**Re: Application for DHC & Simultaneous Dedication
State Pat #1A 30-039-26177 UL C, S32 T30N, R7W Rio Arriba Co.
Blueberry Buckle Com #1 30-039-25415 ULD, S32 T30N, R7W Rio Arriba Co.**

Ladies and Gentleman:

This letter is to advise you that Merrion Oil & Gas Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking Simultaneous Dedication of the State Pat #1A and Blueberry Buckle Com #1 to the NW/4 of Section 32, T30N, R7W, NMPM, Rio Arriba Co, NM.

As the offset operator that may be affected by the proposed completion, you may object to this application. Objections must be filed in writing within 20 days from this date at the Division's Santa Fe office that is located at 1220 S. St. Francis Drive, Santa Fe, NM 87505. If no objection is received within this 20 day period, this application for a simultaneous dedication may be approved.

If you have any concerns, please contact me at 505-324-5336

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Philana Thompson", is written over a horizontal line.

Philana Thompson

Merrion Oil & Gas, Regulatory Compliance Specialist
610 Reilly Ave
Farmington, NM 87401
505-324-5336
pthompson@merrion.bz

610 Reilly Avenue
Farmington, NM 87401
main 505.324.5300
fax 505.324.5350

Goetze, Phillip, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Wednesday, December 04, 2013 3:46 PM
To: 'Philana Thompson'
Cc: Hoppe, William, EMNRD
Subject: Commingling Order for State Pat 1A (API 30-039-26177)

Philana:

Let's try this one again. I have just gone through your DHC application for the State Pat Well 1A (C-32-30N-7W; 30-039-26177) in detail. I see that your application is for a combination of blanco-mesaverde (72319) and blanco-pictured cliffs (72359) pools. Under Rule 19.15.12.11 E. NMAC, this combination is a pre-approved and only require you to file with the Aztec District office. The specifics for filing are described in Paragraph 2 of Subsection C of 19.15.12.11 NMAC:

(2) Exceptions for wells located in pre-approved pools or areas. Applicants shall file applications to downhole commingle in well bores within pools or areas that have been established by the division as "pre-approved pools or areas" pursuant to Paragraph (2) of Subsection D of 19.15.12.11 NMAC on form C-103 at the appropriate division district office. The district supervisor of the appropriate division district office may approve the proposed downhole commingling following receipt of form C-103. In addition to the information required by form C-103, the applicant shall include:

- (a) the number of the division order that established pre-approved pool or area;
- (b) the names of pools to be commingled;
- (c) perforated intervals;
- (d) allocation method and supporting data;
- (e) a statement that the commingling will not reduce the total remaining production's value;
- (f) in those instances where the ownership or percentages between the pools to be commingled is not identical, a statement attesting that applicant sent notice to the interest owners in the spacing unit by certified mail, return receipt requested of its intent to apply for downhole commingling and no objection was received within 20 days of sending this notice; and
- (g) a statement attesting that applicant sent a copy of form C-103 to the state land office for wells in spacing units containing state lands or the BLM for wells in spacing units containing federal or tribal lands using sundry notice form 3160-5.

Essentially, take your package and forward to the District office with a new cover letter and the information that you sent me. The Order with pre-approval is R-11363. The SD will still come from Santa Fe and I will proceed on that one. Contact me with any questions. PRG

Phillip R. Goetze, P.G.

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe, NM 87505
O: 505.476.3466 F: 505.476.3462