

DATE IN 8.16.10	SUSPENSE	ENGINEER DB	LOGGED IN 8.16.10	TYPE NSL	APP NO. 1022835057
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

2010 AUG 16 A 9:28



Merrion
14634

Glade Park #1

ADMINISTRATIVE APPLICATION CHECKLIST 30-045-34747

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 _____

[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

[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 Spec Title	8/9/10 Date
		pthompson@merrion.bz e-mail Address	

Glade Park #1



August 9, 2010

Mr. David Brooks
New Mexico Oil Conservation Division
1220 S. St. Frances Dr
Santa Fe, NM 87504

Reference:

Application for Administrative Approval of Unorthodox Location
Merrion Oil & Gas Corporation
Glade Park #1
30-045-34747 UL E, S9, T29N, R13W 2484 FNL & 1861 FWL
San Juan County, NM
Basin Fruitland Coal/ Kutz West Pictured Cliffs

Dear Mr. Brooks,

Merrion Oil & Gas hereby requests administrative approval for an unorthodox location for the above referenced well for the Kutz West Pictured Cliffs formation. Attached for your reference are the following exhibits:

1. Well location plat (NMOCD Form C-102)
2. Topographic Map
3. Ownership Map

The above mentioned well is being drilled within the city limits of Farmington, New Mexico. Merrion Oil & Gas was unable to find a surface site at an orthodox location that meets the city set-back rules and is acceptable to surface owners. The proposed unorthodox location is the best location that meets those guidelines.

Merrion Oil & Gas is the offset operator of the target formations located in the above mentioned section so no notification letters have been sent out.

If you should have any questions or concerns, please do not hesitate to contact me.

Sincerely,

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

Philana Thompson
Regulatory Compliance Specialist
Merrion Oil & Gas Corporation
505-324-5336 office



August 9, 2010

Mr. David Brooks
New Mexico Oil Conservation Division
1220 S. St. Frances Dr
Santa Fe, NM 87504

Reference:

Application for Administrative Approval of Unorthodox Location
Merrion Oil & Gas Corporation
Glade Park #1
30-045-34747 UL E, S9, T29N, R13W 2484 FNL & 1861 FWL
San Juan County, NM
Basin Fruitland Coal/ Kutz West Pictured Cliffs

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1. Well location plat (NMOCD Form C-102)
2. Topographic Map
3. Ownership Map

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Merrion Oil & Gas is the offset operator of the target formations located in the above mentioned section so no notification letters have been sent out.

If you should have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Philana Thompson
Regulatory Compliance Specialist
Merrion Oil & Gas Corporation
505-324-5336 office

District I

1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form C-102
 Permit 117057

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 37222	5. Property Name GLADE PARK	6. Well No. 001
7. OGRID No. 14634	8. Operator Name MERRION OIL & GAS CORP	9. Elevation 5354

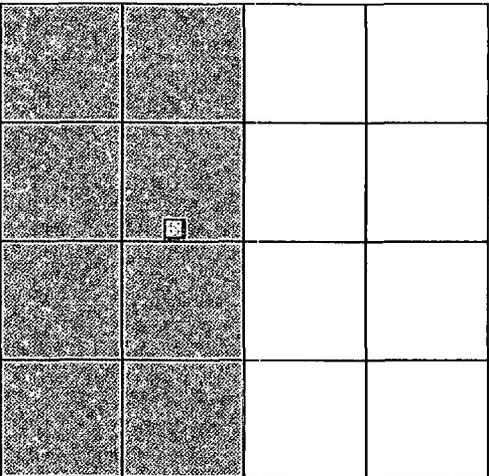
10. Surface Location

UL - Lot E	Section 9	Township 29N	Range 13W	Lot Idn	Feet From 2484	N/S Line N	Feet From 1861	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>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(s) 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.</i></p> <p>E-Signed By: <i>Madonna Thompson</i> Title: <i>Regulatory Compliance Spec.</i> Date: <i>8/5/10</i></p> <hr/> <p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Gerald Huddleston Date of Survey: 9/1/2008 Certificate Number: 6844</p>
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State of New Mexico
Energy, Minerals and Natural Resources

Form C-102
 Permit 117057

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 79680	3. Pool Name KUTZ PICTURED CLIFFS, WEST (GAS)
4. Property Code 37222	5. Property Name GLADE PARK	6. Well No. 001
7. OGRID No. 14634	8. Operator Name MERRION OIL & GAS CORP	9. Elevation 5354

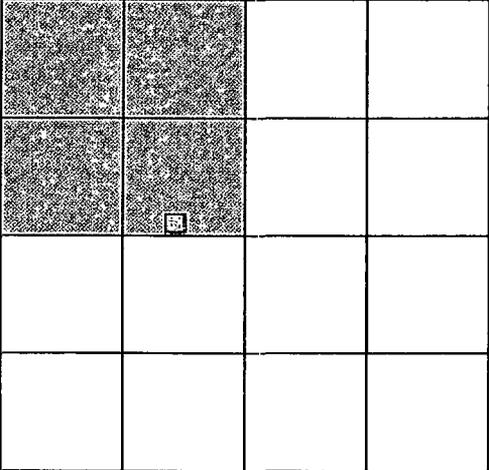
10. Surface Location

UL - Lot E	Section 9	Township 29N	Range 13W	Lot Idn	Feet From 2484	N/S Line N	Feet From 1861	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00		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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>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(s) 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.</i></p> <p>E-Signed By: <i>Michael Thompson</i> Title: <i>Regulatory Compliance Spec</i> Date: <i>8/5/10</i></p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Gerald Huddleston Date of Survey: 9/1/2008 Certificate Number: 6844</p>



Glade Park
San Juan Co, New Mexico

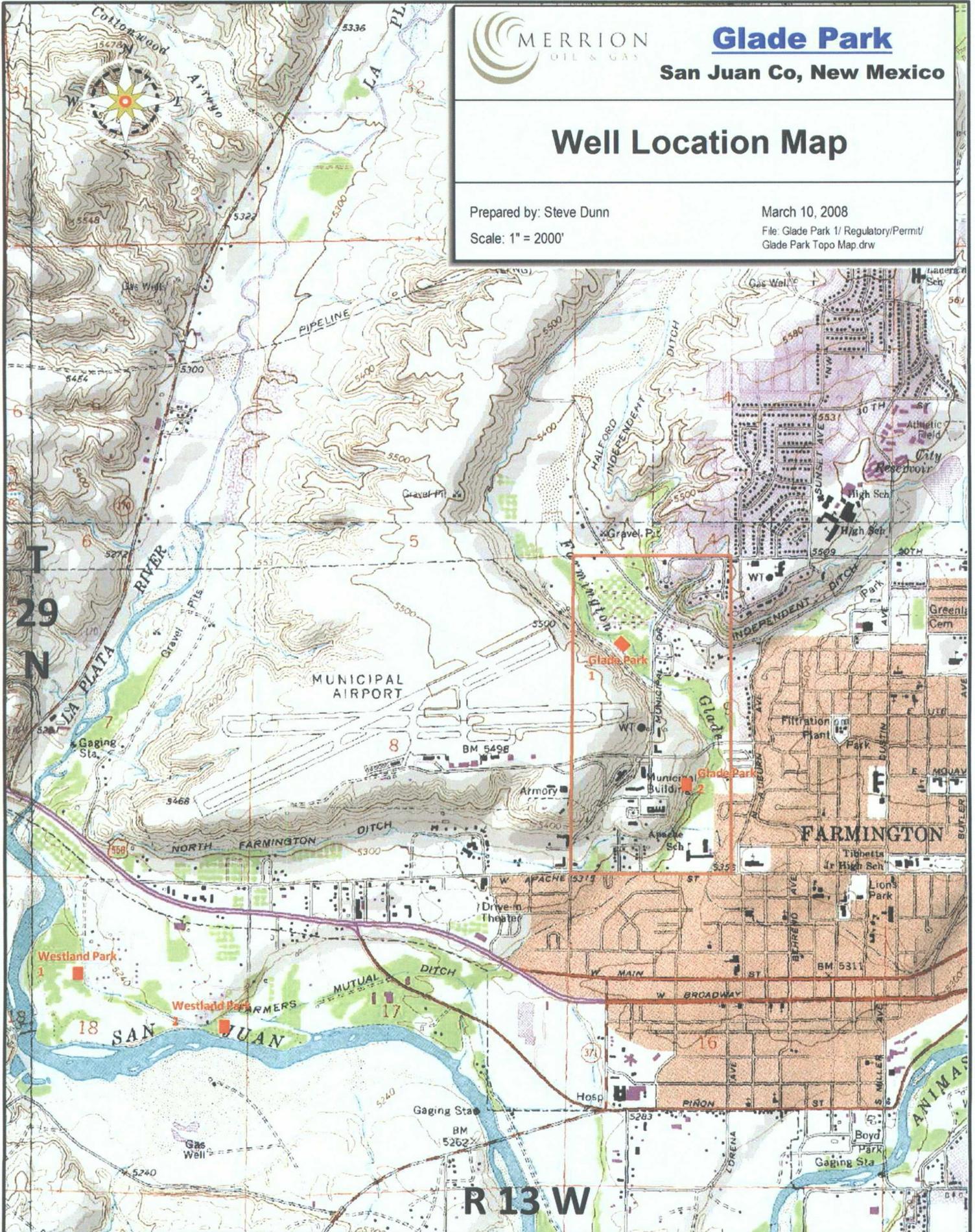
Well Location Map

Prepared by: Steve Dunn

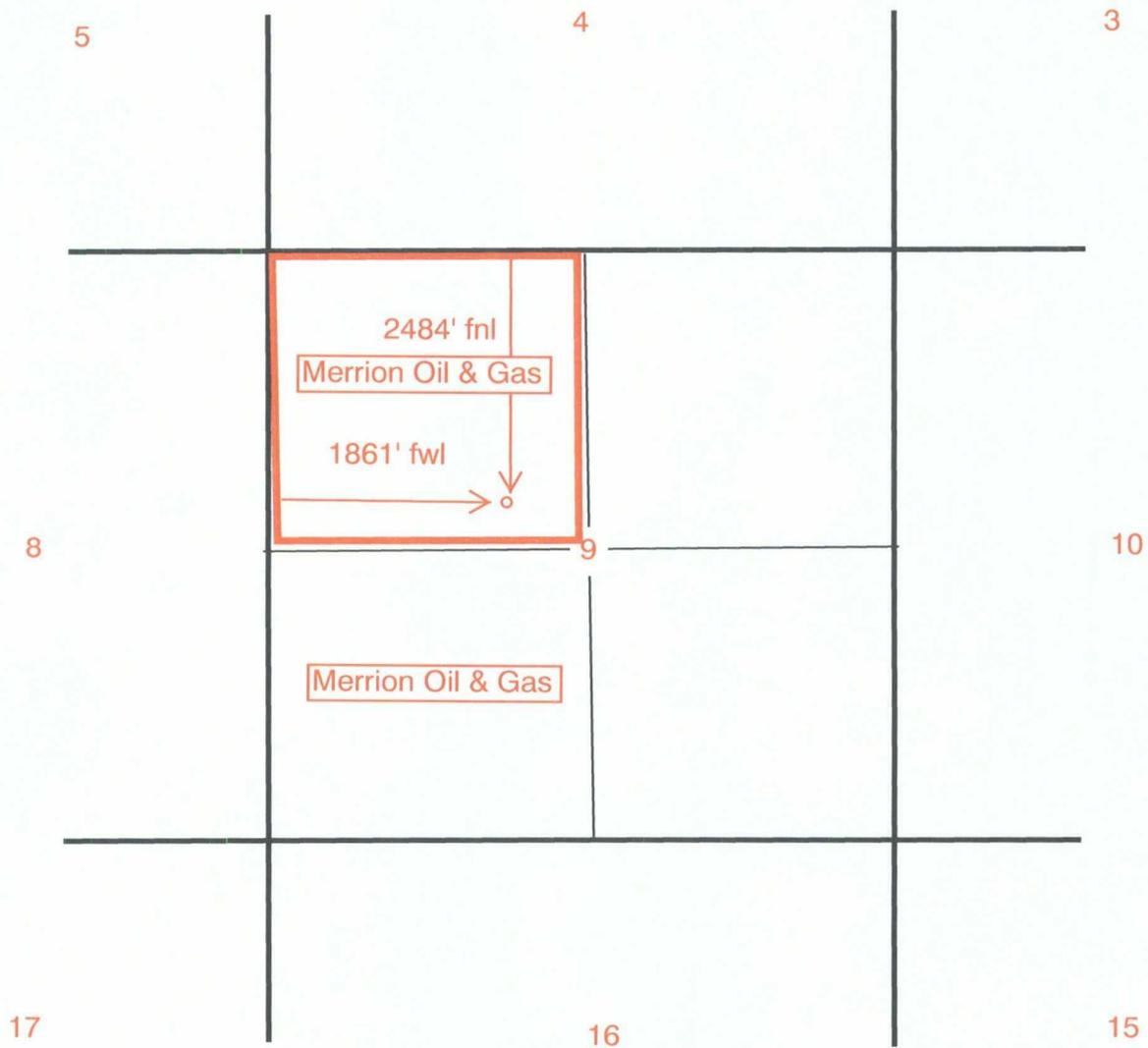
March 10, 2008

Scale: 1" = 2000'

File: Glade Park 1/ Regulatory/Permit/
Glade Park Topo Map.drw



Offset Operator Plat
Non-Standard Location Application
Glade Park #1 Well
West Kutz Pictured Cliffs Pool
NW/4 Section 9, T29N, R13W
San Juan County, NM



Statistical Study Area

Proposed Westland Park No. 1

Proposed Glade Park No. 1

29N13W

FC - PC Ultimate Map
FC on left
PC on right

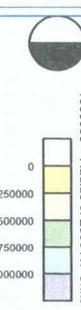
POSTED WELL DATA
FC + PC ULTIMATES

FRUITLAND_COAL_GAS_SAT: PICTURED_CLIFFS_GAS_SAT
FRUITLAND_COAL_PC_EUR_MAP: PICTURED_CLIFFS_PC_EUR_MAP
FRUITLAND_COAL_TOTAL_COAL_THICKNESS

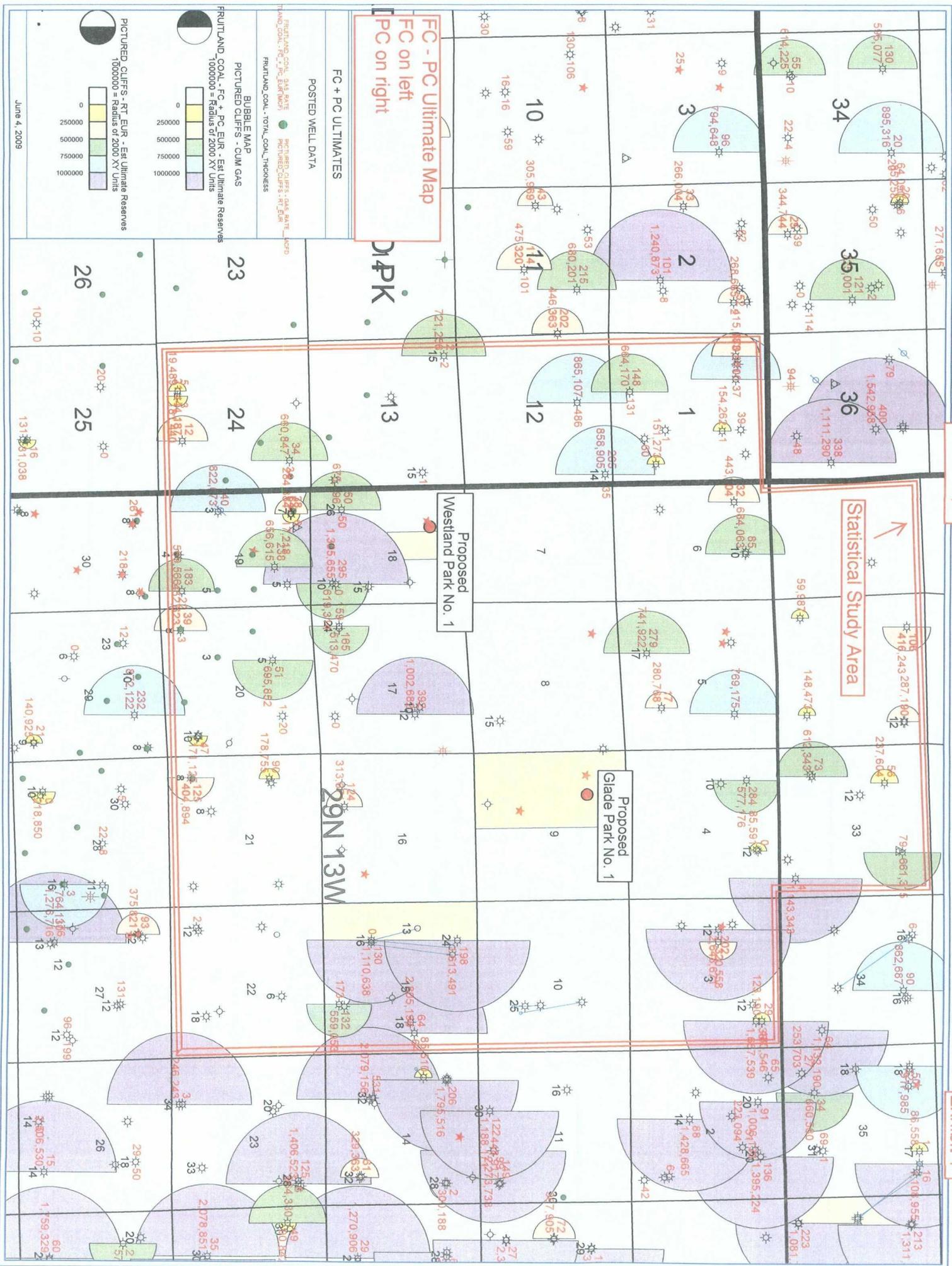
BUBBLE MAP
PICTURED CLIFFS - CUM GAS
FRUITLAND_COAL_FC_PC_EUR: Est Ultimate Reserves
1000000 = Radius of 2000 XY Units



PICTURED CLIFFS - RT_EUR - Est Ultimate Reserves
1000000 = Radius of 2000 XY Units



June 4, 2009



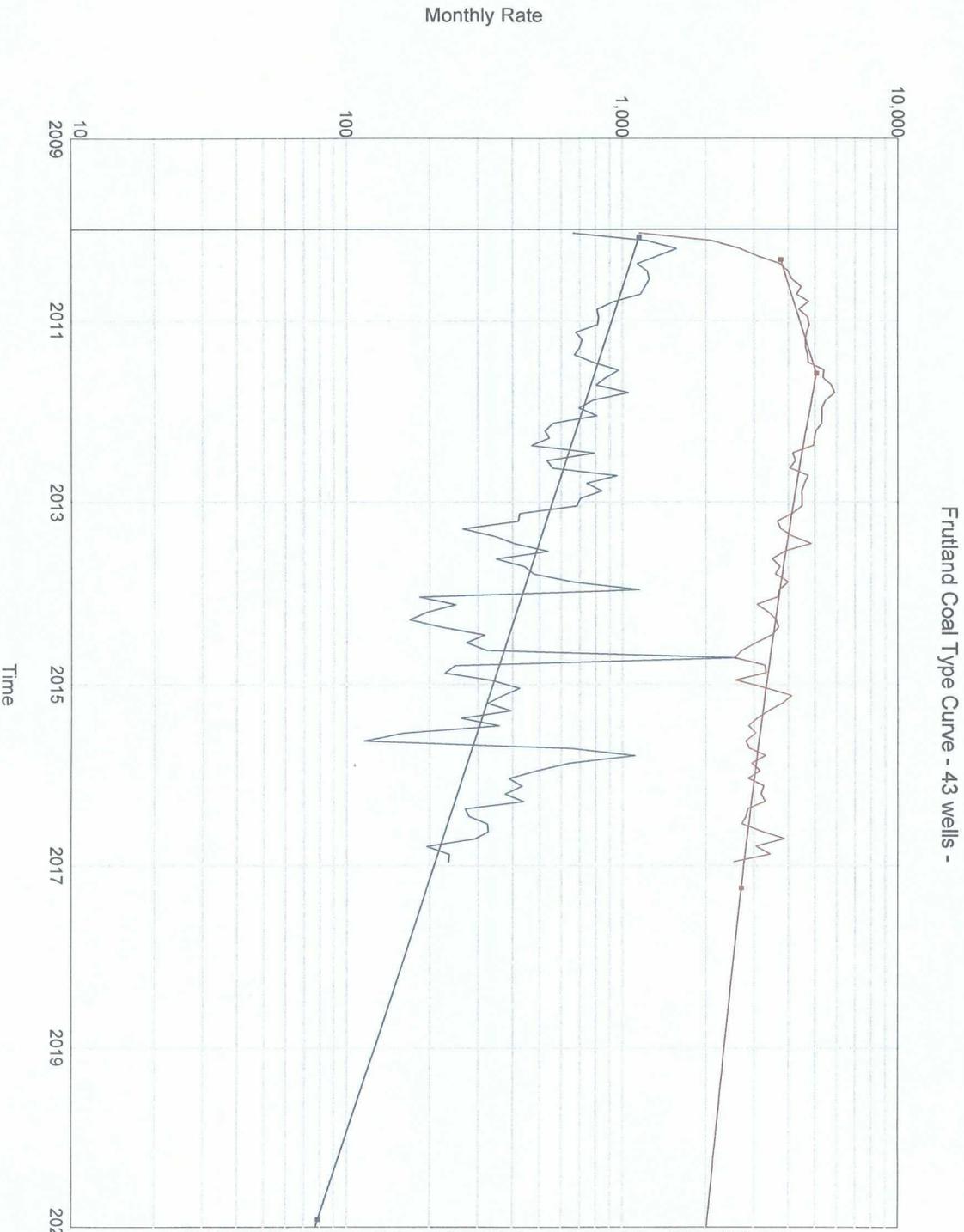
Rate/Time Graph

Fruitland Coal Type Curve

Lease Name: Fruitland Coal Type Curve - 43 wells ()
 County, ST.:
 Location: 0-0-0

Operator:
 Field Name:

Exhibit 7
 Date: 2/6/2010
 Time: 10:02 AM



Economic Limit: 06/2034
 Economic Life: 294 mo
 Future Net Revenue: \$974,983
 Present Worth: \$258,672
 Rate of Return: 19.730 %
 Return on Invest: 2.77
 Payout Date: 05/2014
 Oil at Effective Date: 0 bbl
 Oil at Economic Limit: 0 bbl
 Rem Oil (Decline): 0 bbl
 Ufr Oil (Decline): 0 bbl
 Oil Decline at Eff Date: 0.00 %
 Cum Oil at Eff Date: 0 bbl
 Gas at Effective Date: 0 mcf
 Gas at Economic Limit: 876 mcf
 Rem Gas (Decline): 657,290 mcf
 Ufr Gas (Decline): 657,290 mcf
 Gas Decline at Eff Date: 0.00 %
 Cum Gas at Eff Date: 0 mcf
 Water at Effective Date: 0 bbl
 Water at Economic Limit: 3 bbl
 Rem Water (Decline): 61,405 bbl
 Ufr Water (Decline): 61,405 bbl
 Water Decline at Eff Date: 0.00 %
 Cum Water at Eff Date: 0 bbl
 Inj at Effective Date: 0 bbl
 Inj at Economic Limit: 0 bbl
 Rem Inj (Decline): 0 bbl
 Ufr Inj (Decline): 0 bbl
 Inj Decline at Eff Date: 0.00 %
 Cum Inj at Eff Date: 0 bbl

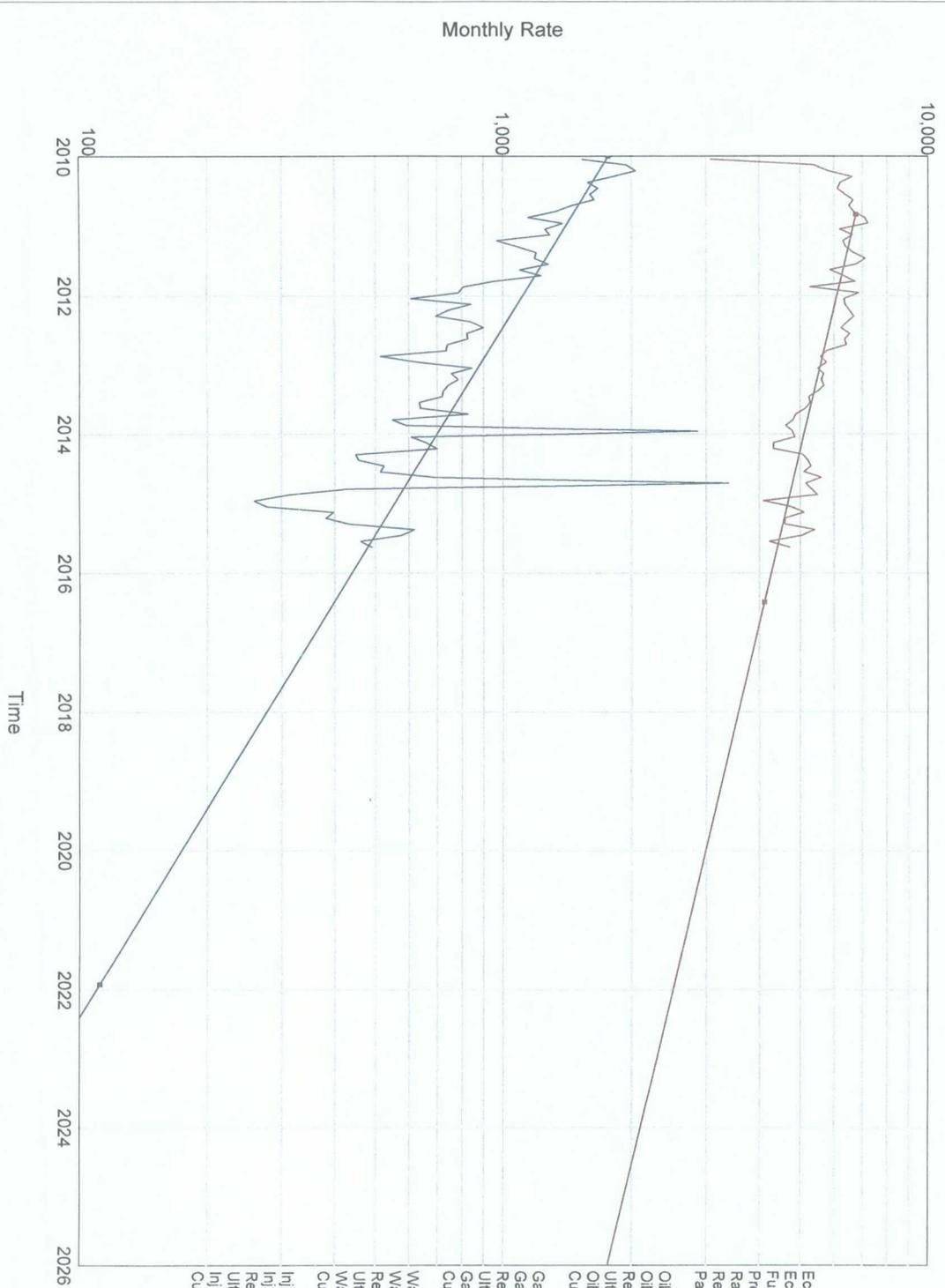
Rate/Time Graph

Pictured Cliffs Recent Type Curve

Lease Name: Pictured Cliffs Recent Type Curve 0
County, ST.:
Location: 0-0-0

Operator:
Field Name:

Pictured Cliffs Recent Type Curve -



Economic Limit: 04/2033
 Economic Life: 280 mo
 Future Net Revenue: \$1,986,778
 Present Worth: \$1,038,271
 Rate of Return: >100 %
 Return on Invest: 14.25
 Payout Date: 12/2010
 Oil at Effective Date: 0 bbl
 Oil at Economic Limit: 0 bbl
 Rem Oil (Decline): 0 bbl
 Ult Oil (Decline): 0 bbl
 Oil Decline at Eff Date: 0.00 %
 Cum Oil at Eff Date: 0 bbl
 Gas at Effective Date: 0 mcf
 Gas at Economic Limit: 923 mcf
 Rem Gas (Decline): 858,595 mcf
 Ult Gas (Decline): 858,595 mcf
 Gas Decline at Eff Date: 0.00 %
 Cum Gas at Eff Date: 0 mcf
 Water at Effective Date: 1,746 bbl
 Water at Economic Limit: 8 bbl
 Rem Water (Decline): 88,580 bbl
 Ult Water (Decline): 88,580 bbl
 Water Decline at Eff Date: 20.67 %
 Cum Water at Eff Date: 0 bbl
 Inj at Effective Date: 0 bbl
 Inj at Economic Limit: 0 bbl
 Rem Inj (Decline): 0 bbl
 Ult Inj (Decline): 0 bbl
 Inj Decline at Eff Date: 0.00 %
 Cum Inj at Eff Date: 0 bbl

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, August 18, 2010 2:26 PM
To: 'pthompson@merrion.bz'
Subject: Glade Park #1; NSI Application

Dear Ms. Thompson

In this application, you indicate that Merrion is the operator of the SW/4 of Section 9, which is the offsetting tract, and that for this reason no notice was required for this application.

This is a correct statement if working interest ownership is identical between the NW/4 and the SW/4. Your application does not indicate if that is the case. If working interest ownership is not identical, then notice is required to working interest owners in the SW/4.

Please advise if working interest ownership is identical between the NW/4 and the SW/4 of Section 9.

Thanks

David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

From: Philana Thompson [PThompson@merrion.bz]
Sent: Wednesday, August 18, 2010 2:21 PM
To: Brooks, David K., EMNRD
Subject: RE: Glade Park #1; NSI Application

The owners are the same ☺

Thanks Philana

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Wednesday, August 18, 2010 2:26 PM
To: Philana Thompson
Subject: Glade Park #1; NSI Application

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Thanks

David K. Brooks
Legal Examiner
505-476-3450

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