

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary

March 12, 2001

Lori Wrotenbery Director Oil Conservation Division

Merrion Oil & Gas Corporation 610 Reilly Avenue Farmington, New Mexico 87401 Attention: George Sharpe Telefax No. (505) 326-5900

Administrative Order NSL-4560

Dear Mr. Sharpe:

Reference is made to the following: (i) your application dated February 13, 2001; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Aztec and Santa Fe: all concerning Merrion Oil & Gas Corporation's ("Merrion") request to drill its proposed Bartens Park Com. Well No. 1 (API No. 30-045-30493) at an unorthodox Pictured Cliffs gas well location 2479 feet from the South line and 1247 feet from the East line (Unit I) of Section 36, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico. The SE/4 of Section 36 is to be dedicated to the well in order to form a standard 160-acre gas spacing and proration unit for the Fulcher Kutz-Pictured Cliffs Pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.F (2), the abovedescribed unorthodox Fulcher Kutz-Pictured Cliffs gas well location is hereby approved.

Sincerely,

Lori Wrotenbery Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec New Mexico State Land Office - Santa Fe

¥												
District I 1625 N. Frenc	h Dr. Uabh	- NIM 8874	n			state of N						Form C-101
District II	n Dr., Hoot)S, INIVI 0024	v	Ene	rgy M	finerals an	als and Natural Resources Revised March 17, 1999					
811 South Firs	it, Artesia, l	NM 88210		2		~			C.,1			
District III 1000 Rio Braz	os Road A	THEC NM 87	410		Oil		servation Division Submit to appropriate District				Lease - 6 Copies	
District IV	ios Roau, A	2100, 14101 07	410				South Pacheco Fee Lease - 5 Co					Lease - 5 Copies
2040 South Pa	checo, San	ta Fe, NM 8	7505			Santa Fe,	NM 8750	05			٦	•
										L	AME	NDED REPORT
APPLI	CATIC	N FOR	PERMIT 1	O DRI	ILL,	RE-ENT	ER, DE	EPEN.	, PLUGBAC	к, о	R ADD	A ZONE
			Operator Name a					· · · · · · · · · · · · · · · · ·			O Number	
				C					014634			
		Merr	ion Oil & Gas	Corpor	ation		f.	A	30-		Number	143
³ Proper	ty Code				5 P	roperty Name	<u>k</u>	JAN	<u> </u>	04	• Well 1	No.
	M7 -	0					+	UAN C	2001	• •• ••		
a	1.30	57				ins Park C		- 5 8 5 5 5 - 6 6 6 - 1 1			1	
,	_				⁷ Sur	face Loca	ation	Sector, C.	· · · · · · · · · · · · · · · · · · ·			
UL or lot no.	Section	Township	Range	Lot le	da	Feet from the	e North/	Feet from the	East	West line	County	
I	36	30N	13W	nes	se	2479'	479' South		1247	F	East	San Juan
<u>_</u>			Proposed B	1						<u></u> `		
	1		1	1						1		
UL or lot no.	Section	Township	Range	Lot l	dn I	Feet from the	e North/S	South line	Feet from the	East/	West line	County
	<u> </u>		J							1		
	⁹ Proposed Pool 1 ¹⁰ Proposed Pool 2											
	Fulcher Kutz PC											
	Type Code		12 Well Type Co	de		13 Cable/Rot	tary		⁴ Lease Type Code		15 Grout	nd Level Elevation
	N G ¹⁶ Multiple ¹⁷ Proposed Depth		th	h 18 Formation			19 Contractor		5560' 20 Spud Date			
	No		1700			Pictured Cl						n Permitted
<u> </u>			²¹ P	roposed	d Cas	ing and C	nd Cement Program					
Hole S		C	sing Size		g weight	1	Setting Depth Sacks of Cement Estimated TOC					
		Ca										
8 1 '			7"		23 ppf		120		50 sx		Surface	
6 ‡*	• •		4 1 .	10	0.5 ppf		1700	ў 	160 s	×		Surface
		L										
		-		PEN or PLU	JG BAC	K, give the data	on the present	t productive	zone and proposed n	ew produ	ctive zone. 1	Describe the blowout
(· · -			sheets if necessary.									
									ising, cement to sur- set 4 ½" 10.5 ppf J5			
surface. Will co	ement with	~ 100 sx 'B' 2	% SMS (206 cuft)	and tail in	with 60	sx 'B' 2% Gel ((73 cuft) cerr	ent to fill	from total depth to			
			ach surface, a tem									
			perforated casing. ng-pressure - 1000		ire stim	ulate and put a	on production	test. Drill	ing operations below	v surfaci	e casing will	be conducted with
- • •	•				ity speci	ial use permit (and Oil & Gas	permit wi	Il be obtained prior	to comm	vencina drill	ing,
			on Hills Com 1 exis					-				-
			nd - 13°, Fruitland									
				· · · · · ·								
²³ I hereby cert	tify that the	information	given above is tr	ue and con	nplete to	o the			ONSERVAT	ION	יפועום	ON
best of my kno	best of my know due and helief.											
Signature:			معاديم			A	pproved by	1 -+	-//.11.	-l-		
Printed name:	Steven 5	Dunn			-	 -	itle: DET	ITY OR	AS INSPECT	OR, DI	51. 📲	
						·····						1 0 2002
Title: Drilling	······						pproval Date		L <u>& 2001 []</u>	Expirati	on Dig N	LI O ZUUZ
Date: Januar	y 18, 2001	L	Phone: 505.	327.9801	L		onditions of	Approval:				
L						A	ttached					

١

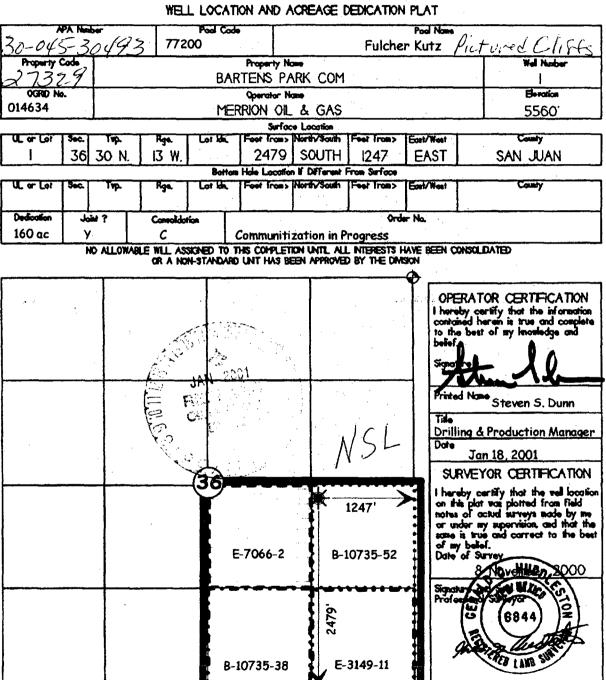
273 D	<u></u>	POR	NS	1-
		2,7,4 3 ,		i.

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State of New Mexico Energy. Minerals & Mining Resources Department

OL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

AMENDED REPORT



M 87505

Form C - 102



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury **Cabinet Secretary**

March 12, 2001

fri Wrotenbery Director **Oil Conservation Division**

Merrion Oil & Gas Corporation 610 Reilly Avenue Farmington, New Mexico 87401 Attention: George Sharpe



Telefax No. (505) 326-5900

Dear Mr. Sharpe:

Administrative Order NSL-4560

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Sincerely,

Lori Wrotenbery Director LW/MES/kv

New Mexico Oil Conservation Division - Aztec / cc: New Mexico State Land Office - Santa Fe

•	/							
Submit 3 Copies To Appropriate District State of New Me	vico /		Form C-103					
Office Energy, Minerals and Nature			Revised March 25, 1999					
1625 N. French Dr., Hobbs, NM 87240	N2223212	WELL API NO.						
District II 811 South First, Artesia, NM 87210 OIL CONSERVATION	DIVISION	30-045-30	493					
District III 1000 Pice Brazos Rd. Arter, NM 87410 2040 South Pacl		5. Indicate Type	of Lease					
1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, MM 87410 District IV Santa Fe, MM 87410		STATE	FEE					
	OLOCH DIV	🚯. State Oil & G	ias Lease No.					
SUNDRY NOTICES AND REPORTS ON VELLS			YT 1. A					
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PL DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-10404 PROPOSALS.) 1. Type of Well:	UG BACK TO A	·	ARK COM (027329)					
Oil Well Gas Well 🔀 Other								
2. Name of Operator		8. Well No.	· · · · · · · · · · · · · · · · · · ·					
MERRION OIL & GAS CORPORATION (014634)		001						
3. Address of Operator		9. Pool name or V	Wildcat					
610 Reilly Avenue, Farmington, New Mexico 87401-2	2634	Fulcher Kutz Pic	tured Cliffs (77200)					
4. Well Location			<u> </u>					
Unit Letter I: <u>2479</u> feet from the <u>South</u> line and <u>1247</u> feet from the <u>East</u> line								
Section 36 Township 30N Rang	e 13W	NMPM San Ju	an, County					
10. Elevation (Show whether D	R, RKB, RT, GR, etc.							
	560'		D					
11. Check Appropriate Box to Indicate N								
		SEQUENTRE						
	REMEDIAL WORK							
TEMPORARILY ABANDON CHANGE PLANS	COMMENCE DRIL	LING OPNS. 🗌						
PULL OR ALTER CASING MULTIPLE COMPLETION	CASING TEST AN CEMENT JOB	D						
OTHER:	OTHER: Spud &	Casina Reports	⊠					
12. Describe proposed or completed operations. (Clearly state all pe			including estimated date					
of starting any proposed work). SEE RULE 1103. For Multiple (recompilation.								
6/14/01 MIRU L&B Speed Drill 6/14/01. Spud 8-3/4" surface and drill to TD surface hole at 142'. Circulate hole clean and TOH. Ran 3 jts of 7" casing (132.80'), land @ 138' KB. RU AES. Precede cement with 5 bbls of water. Mix and pump 65 sxs (77 cu.ft.) of Class "B" with 2% CaCl2 and 1/4#/sx celloflake. Displaced cement with 4 bbls of water. Circulated out 4 bbls of cement to surface. SD overnight. Will NU BOP, pressure test & drill out in morning.								
6/15/01 NU BOP, choke and kill manifold. Pressure test to 60 from under surface casing. Drill ahead to 600' KB. Circulated c		•	MI bit and drill out					
6/16/01 Trip in to 600' KB. Drill ahead to 1010' KB. Circulate	ed clean. Pull off b	ottom. SD for we	eekend.					
6/17/01 SD Sunday.								
*** CONTINUED O	THER SIDE ***							
I hereby certify that the information above is true and complete t	o the best of my kn	owledge and belief	f.					
SIGNATURE TITLE	Drig & Prod Ma	nager D	DATE 6/20/01					
Type or print name STEVEN S. DUNN	ĵ	Telephone No.	(505) 327-9801					
(This space for State use)								

۰,

REPORT CEMENT TOPS



6/18/01 Trip in to bottom. Establish circulation; drill ahead to 1490' KB. Circulate clean. POH. SDON. (SSD)

6/19/01 TD well @ 1740' @ 1000 hrs 6/19/01. Circulate hole clean and TOH. RU Schlumberger Wireline, run IND/GR logs. Loggers TD: 1762' KB. RD SWS. RU San Juan Casing, run 43 joints of 4-1/2", 10.5#, J-55, ST&C casing (1729.24'), land @ 1734' KB. Insert float collar @ 1693' KB. Wash casing to bottom. Circulate for 30 min. RU AES. Precede cement with 10 bbls of water. Mix and pump 140 sxs (288 cu.ft.) of Class "B" with 2% SMS and 1/4#/sx celloflake. Tail in with 60 sxs (71 cu.ft.) of Class "B" with 1/4#/sx celloflake. Dropped plug and displaced cement with 27 bbls of water. PD @ 1730 hrs 6/19/01. Lost circulation while pumping tail cement. Lost approx. 10 bbls before re-gaining circulation. Circulated out 1.5 bbls of watered-down cement with celloflake to surface. (Bumped plug to 1500# - float held OK). RD AES. ND BOP and set slips. RDMOL 6/19/01. WOCT.

L & B Speed Drill, Inc.

P.O. BOX 70 • FARMINGTON, NEW MEXICO 87499-0070 • (505) 325-1979

DATE: 7/12/2001



Directional Survey Well Bartens Park Com #1 Re: 2479' FSL & 1247' FEL T-Sec. 36-T30N-R13W San Juan County, NM

TO: Merrion Oil & Gas Corporation

610 Reilly Ave. Farmington, NM 87401

Below is the directional survey for your well Bartens Park Com #1

- 3/4° **130'**
 - 600**'** 3/4°
 - 1° 1100'
 - 1° 1600'
 - 1° 1760'

ACKNOWLEDGEMENT

STATE OF NEW MEXICO 1 1 COUNTY OF SAN JUAN 1 SIGNED & ACKNOWLEDGED BY: JAMES L. LUDWICK, PRESIDENT

The foregoing instrument was acknowledged before me this

12 day of NOTARY PUBLIC

My commission expires:

123/03 10

C C HE I W

•		/		
Submit 3 Copies To Appropriate District	State of New M	exico		Form C-103
Office District I	Energy, Minerals and Nat			Revised March 25, 1999
District I 1625 N. French Dr., Hobbs, NM 87240	g,,		WELL API NO.	
District II	OIL CONSERVATION	J DIVISION	30-045-304	93
811 South First, Artesia, NM 87210 District III	2040 South Pac	1	5. Indicate Type o	fLease
1000 Rio Brazos Rd., Aztec, NM 87410	Santa Fe, NM 8	}	STATE 🕰	FEE
District IV 2040 South Pacheco, Santa Fe, NM 87505	Salita i C, Nivi G		6. State Oil & Ga	as Lease No.
	ES AND REPORTS ON WELL		7. Lease Name or	Unit Agreement Name:
(DO NOT USE THIS FORM FOR PROPOSA DIFFERENT RESERVOIR. USE "APPLICA	LS TO DRILL OR TO DEEPEN OR PI	NR SHCH		
PROPOSALS.)			BARTENS P	ARK COM (027329)
1. Type of Well:				
Oil Well 🔲 Gas Well 🗷] Other	ALG 2	\	
2. Name of Operator	38	2 Charlon -	8. Well No.	
MERRION OIL & GAS CO	RPORATION (0	DON ST H	001	
3. Address of Operator		N. S. N.	9. Pool name or W	√ildcat
610 Reilly Avenue, Farming	ton, New Mexico 87401-	2634 5	Fulcher Kutz Pict	tured Cliffs (77200)
4. Well Location	No. Contraction of the second s	2/12/07/01/81		
		CUCOL DIA		
Unit Letter <u>I</u> : <u>2</u>	2479 feet from the <u>So</u>	uthline and	1247feet fro	om the <u>East</u> line
0 11-1 24	Township 2011 Dee	4 314/		
Section 36	Township 30N Ran 10. Elevation (Show whether I		NMPM San Juc	an, County
		560'		
11 Check A				
	ppropriate Box to Indicate		-	
NOTICE OF INT			SEQUENT REF	
		REMEDIAL WORK		
	CHANGE PLANS	COMMENCE DRIL		PLUG AND
				ABANDONMENT
PULL OR ALTER CASING	MULTIPLE	CASING TEST AN	D 🗌	
	COMPLETION	CEMENT JOB		
OTHER:		OTHER: Perf, Fr	we & The Rot	X
12. Describe proposed or completed	i operations (Clearly state all n			including estimated date
of starting any proposed work).				
recompilation.				or proposed completion of
	at all of 1 /OH Second second second second			
7/13/01 Set frac tanks and in with 3-1/8" casing gun and perforate th	stall 4-1/2" frac valve. Spot flowb			
with 3-178 casing gun and perforate th	e Fictured call formation at 4 spi	10101 - 1000 (101010)	40 noies), 210: 0.34	F. Shut well in.
7/20/01 RU American Energy	Services. Held safety meeting. Pr	essure test pumps and	lines. Pumped 6500 c	al 70 Q x-linked foom nod
Frac well with 61,040# of 16/30 Brady				
resin coated. Note: base fluid was 20#				
hrs 7/20/01, ISIP: 850#, 5 min: 846#				
tank thru ‡" choke at 1500 hrs 7/20/0	 Well making foam and broken gel 	. At 1900 hrs well was	still flowing strong, S	SWI overnight.
7/21-22/01 Well flowing with ste	ady vent.			
	*** CONTINUED	OTHER SIDE ***		
with the second s	tan alaana ta amina ay ka sa			
I hereby certify that the informa	ion above is true and complete	to the best of my kn	owledge and belief	<u>· </u>
STONATURE T. X		Dula 9 D +4 -		ATT 0/03/04
SIGNATURE	TITLE	Drlg & Prod Ma	nager D	ATE 8/02/01
		-	Telephone No	(505) 327 0901
Type or print name STEVEN		YOPTY ON & GAS	Felephone No.	(505) 327-9801
(This space for State use) AL SIGNED	BY OHAMLIE T. PERMUN	小田(13-13-1)間に (地) 単内。	A transmission and such as soon as	AUG - 7 200
APPPROVED BY	TITLE			DATE
·····				

AFFFRUY	cν	DI		
Conditions	of	appr	oval,	if any:

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7/30/01 MIRU JC Well Service. Found well with 0#. NU BOP. Tally and PU 2-3/8" tubing. TIH, tag sand/fill at 1645'. TOH to PU bailer, blew hydraulic hose on way out. Repaired hose. SWI & SDON.

7/31/01 Finish TOH, PU bailer and TIH. Tag sand at 1645'. Bail out fill to PBTD (1693'). TOH, CO bailer and tubing. TIH with tail joint, seating nipple and 48 joints (1580.84') of 2-3/8", 4.7#, EUE tubing. Bottom of tubing landed at 1586' KB. ND BOP & NU WH. RUTS. Initial fluid level was approx. 1100'. Swabbed for 3 hrs, recovered approx. 35 bbls of fluid. Casing pressure up to 25# and building. SWI & SDON.

<u>8/01/01</u> Found well with casing pressure 25#. RUTS. Swabbed for 3.0 hrs. Recovered approx. 30 bbls of fluid. Fluid becoming gas cut and "foamy". Casing pressure 40# and climbing. Shut well in with 40#. RDMOL. WO tie-in.

District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410

I.

State of New Mexico Energy, Minerals & Natural Resources

Oil Conservation Division 1220 South St. Francis Dr.

Santa Fe, NM 87504

Submit to Appropriate District Office 5 Copies

(29704

AMENDED REPORT

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87504

REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

' Operator na	ume and Ad		ON OIL 8	² OGRID Number 014634						
		Farm	610 R nington, <u>N</u>	' Reason for Filing Code/ Effective Date NW=NEW WELL						
⁴ API Number 30-045-30493 FULCHER KUTZ PICTURED CLIFFS							* Pool Code 77200			
						' Well Number 001				
I. ¹⁰ Surfa	ce Locatio	n								
Ul or lot no. I	Section 36	Township 30N	Range 13W	Lot.Idn NESE	Feet from the 2479	North/South Line	Feet from the 1247	East/West line EAST	County SAN JUAN	
¹¹ Botto	m Hole L	ocation								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
¹² Lse Code S	" Produ	ing Method	¹ Gas (Connection Date	¹⁵ C-129 Perm	it Number	C-129 Effective D	ate	"C-129 Expiration Date	

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	" POD	^и О/G	²² POD ULSTR Location and Description
151618	El Paso Field Services 614 Reilly Avenue Farmington, NM 87401	2829330	G	
				6789
				AUG 2001
			L	
				DIST. 3 GET

IV. Produced Water

¹² POD ULSTR Location and Description

V. Well Completion Data

		teady Date " TD 01/01 1740'		^{¹⁰ PBTD 1690'}	"Perforations 1575'-1585'	³⁰ DHC, MC	
³⁴ Hole Size		²² Casing	& Tubing Size	²⁰ Depth Set		³⁴ Sacks Cement	
8-3/4"	8-3/4" 7" 138' KB			65 sxs (77 cu.ft.)			
6-1/4"		4	-1/2"	1734' KB		200 sxs (359 cu.ft.)	
	·····	2	-3/8"	1586' KB			

VI. Well Test Data

³⁵ Date New Oil	³⁴ Gas Delivery Date	³⁷ Test Date 7/26/01	" Test Length SHUT-IN	" Tbg. Pressure	* Csg. Pressure 226 PSI (BHP)		
" Choke Size	42 Oil	43 Water	" Gas 	* AOF	" Test Method Flowing		
	rules of the Oil Conservation Divis ven above is true and confilete to		Approved by:				
Printed name: Steven S. Dunn			Title: DEPUTY ON & GAS INSPECTOR, BIST.				
Title: Drlg & Prod Manage			Approval Date: AUG = 8 2001				
Date: August 7, 2001	Phone: (505)	327-9801					

				, 							
										·	· · · · ·
Submit To Appropriate I State Lease - 6 copies	District Office	En		State of New M		,		N N		Da	Form C-105
Fee Lease - 5 copies District I 1625 N. French Dr., Hob	be NM 88240	En	ergy, I	Minerals and Na	lurai Ke	sources	. [WELL API 1	NO.		vised March 25, 1999
District II 811 South First, Artesia,		0	IL CO	ONSERVATIO		iston	U A÷	30-045-3			
Listrict III 1000 Rio Brazos Rd., Az				2040 South Pa		A		5 Indicate 7		ease FEE	
District IV 2040 South Pacheco, Sau				Santa Fe, NM				State Oil & (Gas Lease	No.	
WELL CO la. Type of Well:	MPLETION	OR RECO	DMPL	ETION REPO				7. Lease Name	or Unit Age	eement N	
OIL WELL		.L 🗶 DRY		OTHER		DIST. 9		és- *			
	VORK		UG	DIFF.		·		BARTE	NS PAF	rk co	M (027329)
		PEN BA	СК 🗌		OTHER		<u></u>	·			
2. Name of Operator MERRION	OIL & GAS	CORPORA	TION	N (014634)				 Well No. 001 			
3. Address of Operato	r							9. Pool name or	Wildcat		······································
	Y AVENUE,	FARMING	TON	, NM 87401				FULCHER K	UTZ PI		CLIFFS (77200)
4. Well Location	r :	2479	East 1	From The Sou t	th	Tine		1247	Caa+ 17 7		East 1
Unit Letter Section	:: . 36	<u>Z479</u> Townsh				Line and_ 13W		1247 NMPM	Feet From T San Ju		East Line County
10. Date Spudded	11. Date T.D. R		<u></u>	Compl. (Ready to Proc				& RKB, RT, GI		_	Casinghead
6/14/01	6/19/01		8/	01/01			5	560'			
15. Total Depth	otal Depth 16. Plug Back T.D. 17. If Multiple Compl. How Many 18. Intervals Rotary Tools Cable To Zones? Drilled By					ools					
1740'		590'						<u>0-T</u>	-	<u> </u>	
19. Producing Interva Pictured Clift	•	-	aom, Na	ame				20). Was Dire	ctional Su	irvey Made
21. Type Electric and				<u> </u>				22. Was Well	Cored		
IND/GR AND G	R/CCL								No		
23. CASING SIZE	WEICH	IT LB./FT.	CA	SING RECOR		oort all s	trin			1	
7"		3#		138' KB		-3/4"			65 sxs (77 cu.ft.)		MOUNT PULLED
4-1/2"	10).5#		1734' KB	6	-1/4"		200 sxs (35	9 cu.ft.)		
			<u> </u>							ļ	
24.	L		LIN	ER RECORD			25.		JBING RE		······································
SIZE 1	ГОР	BOTTOM	·	SACKS CEMENT	SCREEN	1		SIZE 2-3/8"	DEPTH 1586		PACKER SET
26. Perforation reco	ord (interval, size,	and number)			27. AC	ID. SHOT.	FRA	CTURE, CEN			ETC.
Pictured Cliffs:	1575'-158	5' (4 snf	- tota	1 40 holes)	DEPTH	INTERVAL		AMOUNT AN	ID KIND M	ATERIA	L USED
	10/0 -100	5 (4 shi	- 1010		15/5	-1585'		in 70# Q			6/30 Brady sand
								Total fluid			obls
28 Date First Production		Production 3	Author 1		DDUC				Wall Charl	n (P)	Start int
Bate First Production 8/02/01		FIODUCTION N	acuita (Flowing, gas lift, pum	ping - Size	или суре риг	np)		Well Statu	s (Prod. c Shut-Ir	
Date of Test	Hours Tested	l Choke	Size	Flowing Prod'n For	Oil - Bb	!	Gas	- MCF	Water - B		Gas - Oil Ratio
7/26/04	SHUT-IN	.	-	Test Period	_					. <u>-</u>	
7/26/01 Flow Tubing Press.	Casing Pressure	e Calculate		Oil - Bbl.	Gas	- MCF	V	Vater - Bbl.	l Oil G	ravity - A	Pl - (Corr.)
	226 PSI (BHP)	Hour Rate	•					***			
29. Disposition of Ga	s (Sold, used for f	uel, vented, etc.	,	· · · · · · · · · · · · · · · · · · ·	I				Test Witnes	-	<u></u>
PENDING GAS 7 30. List Attachments	IE-IN								TIM MERI	LATT	
31 .1 hereby dertify	that the inform	tion shown of	n both s	ides of this form as	true and	complete to	the l	best of my know	wledge and	t belief	
10		10.	Print	ted		D	rlg ð	& Prod		-	
Signature	un_/		<u>lan</u>	ne Steven S. C	Dunn	Title N	lana	ger		Date	8/07/01

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INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southea	astern New Mexico	Northwestern New Mexico				
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"			
T. Salt	T. Strawn	T. Kirtland-Fruitland 13'71105'	T. Penn. "C"			
B. Salt	T. Atoka		T. Penn. "D"			
T. Yates	T. Miss	T. Cliff House	T. Leadville			
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison			
T. Queen	T. Silurian	T. Point Lookout	T. Elbert			
T. Grayburg	T. Montoya	T. Mancos	T. McCracken			
T. San Andres		T. Gallup	T. Ignacio Otzte			
T. Glorieta	T. McKee	Base Greenhorn	T. Granite			
T. Paddock	T. Ellenburger	T. Dakota	T			
T. Blinebry	T. Gr. Wash	T. Morrison	Т			
T.Tubb	T. Delaware Sand	T.Todilto	Τ			
T. Drinkard	T. Bone Springs	T. Entrada	Т			
Т. Аbo	<u>T</u>	T. Wingate	T			
T. Wolfcamp	Т.	T. Chinle	T			
T. Penn	T	T. Permian	Т			
T. Cisco (Bough C)	T	T. Penn "A"	Τ.			
			OIL OR GAS SANDS OR ZONES			
No. 1, from	to	No. 3, from	to			
No. 2. from	to		to			
- ,		ANT WATER SANDS				

Include data on rate of water inflow and elevation to which water rose in hole.

No. 3, from......feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	То	Thickness In Feet	Lithology	From	То	Thickness In Feet	Lithology
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Submit 3 Copies To Appropriate District Office	State of New Mexico	Form C-103
District I	Energy, Minerals and Natural Res	Revised March 25, 1999
1625 N. French Dr., Hobbs, NM 88240		WELL API NO.
District II 811 South First, Artesia, NM 88210	OIL CONSERVATION DIVIS	SION 30-045-30493 5. Indicate Type of Lease
District III	2040 South Pacheco	
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 87505	6. State Oil & Gas Lease No.
2040 South Pacheco, Santa Fe, NM 87505	,	6. State Off & Gas Lease No.
SUNDRY NOTIO	CES AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name:
	ALS TO DRILL OR TO DEEPEN OR PLUG BACK	
DIFFERENT RESERVOIR. USE "APPLIC	ATION FOR PERMIT" (FORM C-101) FOR SUCH	
PROPOSALS.)	/\$\sigma_	Bartens Park Com
1. Type of Well: Oil Well Gas We	ell X Other E	IB 2004
2. Name of Operator		8. Well No. 1
Merrion Oil & Gas		
3. Address of Operator	1. S. C.	9. Pool name or Wildcat
610 Reilly Ave, Farmingto	n, NM 87401 (c ⁻)	Basin Fruitland Coal/Fulcher Kutz PC
4. Well Location		
	Cont Constant Inc. No. 4 Process 1 104	
Unit Letter <u>1</u> : <u>2479</u>	teet from the <u>North</u> line and <u>124</u>	7_feet from the <u>East</u> line.
Section 36	Township 30N Rang	ge 13W San Juan County
	10. Elevation (Show whether DR, RKB, 5560' GR	
11 Check A	ppropriate Box to Indicate Nature o	of Nation Depart or Other Data
NOTICE OF IN		SUBSEQUENT REPORT OF:
		EDIAL WORK
		MENCE DRILLING OPNS. D PLUG AND ABANDONMENT
PULL OR ALTER CASING		
		ENT JOB
OTHER: Downhole Commingle	X OTHE	
12. Describe proposed or complete	ed operations. (Clearly state all pertinent d	letails, and give pertinent dates, including estimated date
	. SEE RULE 1103. For Multiple Complet	tions: Attach wellbore diagram of proposed completion
or recompilation.		
Marrian Oil & Cas nr	onoses to complete the Resin Erui	itland Cool and to commingle the
	oposes to complete the Basin Frui	
Dasin Fruitiand Coar	and Fulcher Kutz Pictured Chilis	according to the attached procedure.
	1.4	
See attached supporting	ig data.	
	A11 -	
	DHC1411AZ	
I hereby certify that the information	above is true and complete to the best of r	my knowledge and belief.
()		
SIGNATURE	TITLE Pro	duction Engineer DATE 1/19/04
\rightarrow		

	$\gamma =$		
Type or print name	Confile S. Dinning		Telephone No. 327-9801
(This space for State use) APPPROVED BY Conditions of approval, if any:	Hedr	DEPUTY OIL & GAS INSPECTOR, DIST. #3	FEB 13 2004

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District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

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Form C-102 Revised August 15, 2000

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe. NM 87505

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

		W	/ELL LC	OCATIO	N AND ACR	EAGE DEDICA	ATION PLAT	ſ	
1 A	PI Number	•		² Pool Code	•		³ Pool Nam	e	
30-	-045-3049	3		71629			Basin Fruitland	d Coal	
* Property (ode				⁵ Property N	ame		• W	ell Number
027329	.				Bartens Park	Com			1
'OGRID !	No.				⁸ Operator N	lame		,	Elevation
014634	4				Merrion Oil	& Gas		5	560' GR
			-		¹⁰ Surface I	ocation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	36	30N	13 W	NESE	2479	South	1247	East	San Juan
L <u></u>	L		^{II} Bo	ottom Ho	le Location If	Different Fron	n 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	I I ¹³ Joint o	r Infilt 14	Consolidation	Code ¹⁵ Or	rder No.	<u> </u>			
320									

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	Blackshawl Com	493' fnl No. 1 743' fel	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature
			Connie S. Dinning Printed Name Production Engineer Title January 19, 2004 Date
	Bartens Park Cor	0	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.
		2479' fsl	Signature and Seal of Professional Surveyor:

MERRION OIL & GAS CORPORATION

<u>COMPLETION PROCEDURE</u> <u>FRUITLAND COAL FORMATION</u>

January 14, 2004

Well:	Bartens Park Com No. 1	Field:	Basin Fruitland
Location:	2479' fsl & 1247' fel (ne se) Sec 36, T30N, R13W, NMPM San Juan County, New Mexico	Elevation: Lease:	5565' RKB 5560' GL FEE
By:	Connie Dinning	AFE No.:	20407

Procedure: (Note: This procedure will be adjusted on site based upon actual conditions)

Pull Tubing & Prepare to Frac

- 1. MIRU workover rig. POH w/ 3/2" rods and pump. ND WH, NU BOP's. Tag up on fill, pull 2 3/8" production tubing.
- MIRU wireline truck. RIH w/ Drillable Composite Bridge Plug (DCBP) and set at ±1568' KB per correlation log. (Note: RBP setting is critical, reference GR/collar log dated 7/13/01)
- 3. Load hole w/ 2% KCL water and pressure test DCBP to 3500 psi.

Perf & Frac Fruitland Coal

- 1. Order in frac/test tanks w/ risers, working external gages & two good 4" valves on each. Fill w/ 2% KCl city water (refer to fracture stimulation design for required useable volume).
- 2. Install frac value on top of $4-\frac{1}{2}$ casing.
- 3. Perforate Fruitland Coal with 3-¹/₈" casing gun, shot density at 3 jspf per Bartens Park Com No. 1 correlation log run 7/13/01 as follows:

1540 - 1560 ft 20 ft 60 holes 0.34" diameter

- 4. RU Frac crew. Fracture stimulate the Fruitland Coal formation with 20# Cross linked gel system at 30 BPM with 100,000 lbs of 20/40 mesh Brady sand with sand flowback control or resin coated sand (spearhead 250 gals. 7.5% HCL ahead of frac) as per detailed design schedule.). NOTE: Do not pump in and shut down. When pumping begins, stay on it until the job is complete. Do not exceed 3500 psi.
- 5. Shut well in for gel break time. Open to pit.

Install Production Tubing

- 1. Rig down frac valve. Reinstall tubing head, nipple up BOPs.
- 2. RIH w/ tubing, clean out sand and drill out DCBP @ 1568' KB.
- 3. Clean out rat hole if necessary.
- 4. Pick up and tally 15' MA, SN, and $2^{3}/_{8}$ " tubing in hole. Land tubing at ± 1600' KB below bottom of Pictured Cliffs perforations.

5. Nipple down BOPs, nipple up wellhead. Run rods and pump.

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Attachments:

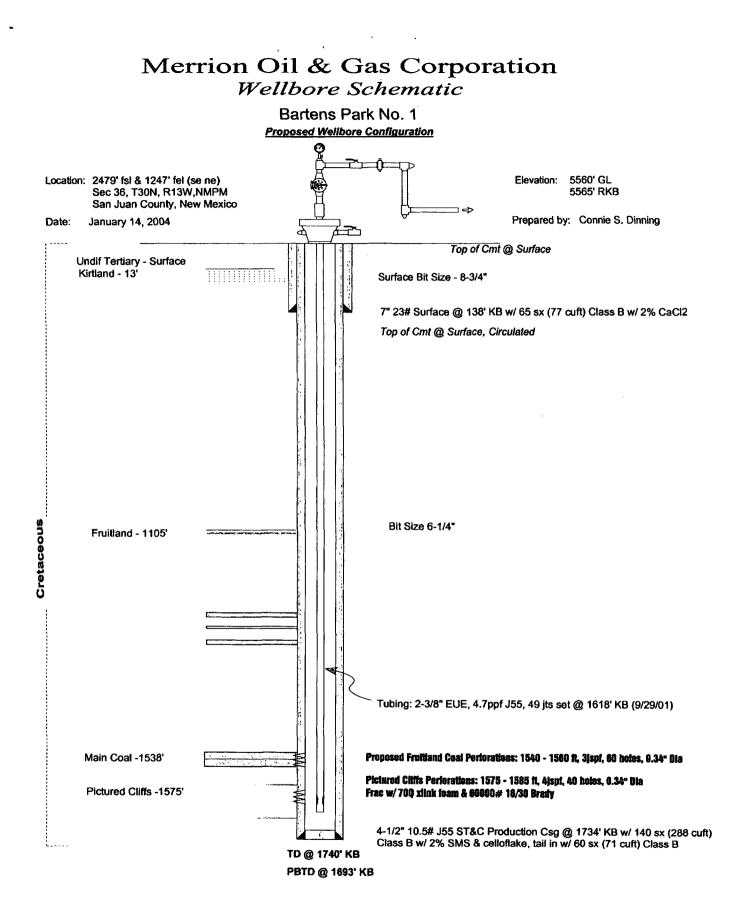
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1. Wellbore Schematic after completion.

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- 2. Bartens Park Com No. 1E Open hole survey strip from Induction log.
- 3. Fracture stimulation design.

S:Shared\Operate\Complete\Katy1FC_CPL.Doc



SUPPORTING DATA FOR C-103 BARTENS PARK COM NO. 1 COMMINGLE BASIN FRUITLAND COAL (71629) AND FULCHER KUTZ PICTURED CLIFFS (77200)

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This supplemental information is attached to the C-103 to commingle the subject well in the Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs pools.

- 1. The Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs have been pre-approved for commingling by order no. R-11363.
- 2. This well is currently perforated in the Pictured Cliffs from 1575' to 1585' at 4 spf, total 40 holes. We plan to add the Fruitland Coal interval according to the attached procedure from 1540' to 1560', 3 spf, total 60 holes.
- 3. The Pictured Cliffs is making approximately 420 MCFD as shown on the attached production plot. Pictured Cliffs production just before the commingling will be subtracted from the commingled production rate to determine the contribution from the Fruitland Coal Zone. A constant percentage shall be used to allocate the production between the zones. The Fruitland Coal addition to the Panther No. 1 offset well resulted in an incremental ±150 MCFD. We expect similar production of about 150 MCFD from the Fruitland Coal in the Bartens Park Com No. 1. We do not anticipate any loss of production from either zone as a result of downhole commingling.
- 4. Ownership of the Fruitland Coal and Pictured Cliffs are not the same. Interest owners in both pools have been notified of the proposed commingling.
- 5. A copy of this application has been sent to the State Land Office.

Sec : 36 Twp : 30N Rng : 13W Section Type : NORMAL

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BILL RICHARDSON

Governor

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

January 23, 2004

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Lori Wrotenbery Director Oil Conservation Division

Telefax No. (505) 326-5900

Joanna Prukop Cabinet Secretary Merrion Oil & Gas Corporation 610 Reilly Avenue Farmington, New Mexico 87401-2634

Attention:

Connie S. Dinning Production Engineer

Administrative Order NSL-4550-A

Dear Ms. Dinning:

Reference is made to the following: (i) your application dated December 15, 2003 that was submitted to the New Mexico Oil Conservation Division ("Division") on December 23, 2003 (*administrative application reference No. pMES0-400635287*); and (ii) the Division's records in Santa Fe and Aztec, including the file on Division Administrative Order NSL-4550: all concerning Merrion Oil & Gas Corporation's ("MOG") request for a non-standard Basin-Fruitland coal gas well location for its existing Blackshawl Com. Well No. 1 (API No. 30-045-30420) located 493 feet from the North line and 743 feet from the East line (Unit A) of Section 36, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico. The E/2 of Section 36 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629).

By Division Administrative Order NSL-4550, dated February 8, 2001 MOG received authorization to drill to and complete the above-described well in the Fulcher Kutz-Pictured Cliffs Pool (77200) at an unorthodox gas well location within a standard 160-acre spacing unit comprising the NE/4 of Section 36.

It is our understanding that MOG now indents to perforate the Blackshawl Com. Well No. 1 up-hole into the Fruitland coal gas interval in an attempt to establish gas production and recomplete the well such that production from both the Fruitland coal gas and Pictured Cliffs intervals zones will be downhole commingled. However, pursuant to Rule 7(a)(1) of the "Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool," as promulgated by Division Order No. R-8768, as amended, the location of this well is also considered to be unorthodox for the proposed 320-acre coal gas unit.

By the authority granted me under the provisions of Rule 7 (b) of these special pool rules, the above-described unorthodox coal gas well location for the Blackshawl Com. Well No. 1 is hereby approved.

Further, all provisions of Division Order NSL-4550 shall remain in full force and affect until further notice.

Sincerely, Lori Wrotenbery

Director

LW/mes

cc:

New Mexico Oil Conservation Division - Aztec New Mexico State Land Office - Santa Fe File: Division Administrative Order NSL-4550

> Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505 Phone: (505) 476-3440 * Fax (505) 476-3462 * <u>http://www.emnrd.state.nm.us</u>