

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>UTU-018889A</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>N/A</b>
2. Name of Operator <b>MERRION OIL &amp; GAS CORPORATION</b>		7. If Unit or CA Agreement, Name and No. <del>N/A</del> <b>Buzzard Bench</b>
3a. Address <b>610 REILLY AVE. FARMINGTON, NM 87401</b>	3b. Phone No. (include area code) <b>(505) 327-9801</b>	8. Lease Name and Well No. <b>BUZZARD BREATH #1</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface <b>70' FNL &amp; 2224' FWL NE NW 489342X 39.18999 -111.12341</b> At proposed prod. zone <b>SAME</b> <i>4337659Y</i>		9. API Well No. <b>43-015-30558</b>
14. Distance in miles and direction from nearest town or post office* <b>6 AIR MILES W OF CASTLE DALE</b>		10. Field and Pool, or Exploratory <b>BUZZARD BENCH</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>70'</b>	16. No. of Acres in lease <b>1,584</b>	11. Sec., T., R., M., or Blk. and Survey or Area <b>10-19s-7e SLM</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>N/A</b>	19. Proposed Depth <b>2,510'</b>	12. County or Parish <b>EMERY</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6,300' GL</b>	22. Approximate date work will start* <b>UPON APPROVAL</b>	13. State <b>UT</b>
17. Spacing Unit dedicated to this well <b>160 ACRES (NW4)</b>		
20. BLM/BIA Bond No. on file <b>NM-0883</b>		
23. Estimated duration <b>9 DAYS</b>		
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification.   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

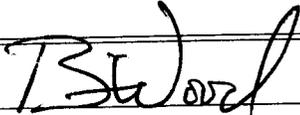
Comments

Archaeology report CASA 03-44 filed 4-28-03 & 8-29-03

Request exception due to topography. The well is staked at 70 FNL & 2224 FWL on a BLM lease. A well could theoretically be staked at 460 FN & 2080 FW. However, this is inaccessible (note that the west half of the topo map has 40' contours). An alternate was initially staked at 90 FNL & 2160 FWL (which is also unorthodox), but it was rejected by BLM due to its 24' high cut. Merrion is requesting permission to drill at 70 FNL & 2224 FWL 10-19s-7e. This is the only well existing or planned for this quarter section. Closest well is Merrion's Buzzard Bench 3-24 which is 1,449' northwest. Merrion and BLM are the lessee and lessor of all land within a minimum 1/2 mile radius. This includes all 8 adjacent quarter sections.

This APD is also doubling as BLM right-of-way application (see PAGE 5).

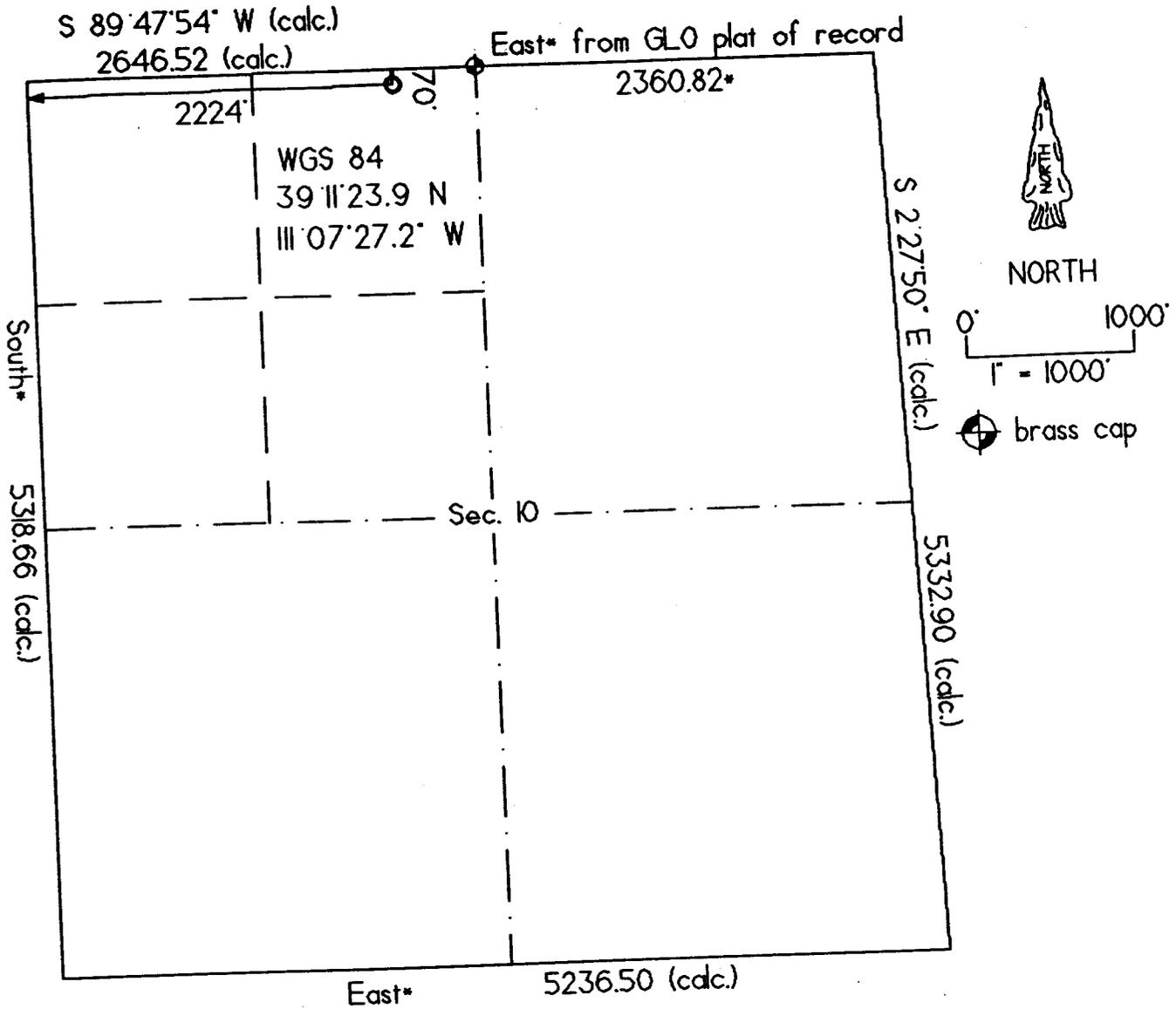
cc:BLM, County, Dunn, UDOGM

25. Signature 	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>4-18-04</b>
Title <b>CONSULTANT</b>	PHONE: 505 466-8120	FAX: 505 466-9682
Approved by <b>APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING</b>	Name (Printed/Typed) <b>RECEIVED</b>	Date <b>APR 20 2004</b>
Title <b>DATE: 4-27-04</b>	Federal Approval of this Office is Necessary	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the property. It is the responsibility of the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Well Location Plat



Well Location Description

MERRION OIL & GAS CORPORATION  
 Buzzard Breath #1  
 70' FNL & 2224' FWL  
 Section 10, T.19 S., R.7 E., SLM  
 Emery County, UT  
 6300' grd. el. ( from GPS )



*Gerald G. Huddleston*  
 Gerald G. Huddleston, LS

rev: 17 July 2003

The above is true and correct to my knowledge and belief.

HUDDLESTON LAND SURVEYING - BOX KK - CORTEZ, CO - (970) 565 -3330

Merrion Oil & Gas Corporation  
 Buzzard Breath #1  
 70' FNL & 2224' FWL  
 Sec. 10, T. 19 S., R. 7 E.  
 Emery County, Utah

### Drilling Program

<u>1. Formation Name</u>	<u>Depth from GL</u>	<u>Depth from RKB</u>	<u>Elevation</u>
Mancos Shale	0'	12'	+6,300'
Emery Sandstone	850'	862'	+5,450'
Blue Gate Shale	2,375'	2,387'	+3,925'
Ferron Sandstone	2,650'	2,662'	+3,650'
Total Depth	2,800'	2,812'	+3,495'

(All depths are based on an ungraded ground level of 6,300')

### 2. NOTABLE ZONES

Ferron is the goal. No other oil or gas zones are expected. Ferron coal zones are the only anticipated water zones.

### 3. PRESSURE CONTROL (Also see "5." on PAGE 2)

A 2,000 psi double ram BOP with 2,000 psi choke manifold will be used from bottom of surface casing to TD. (A typical 2,000 psi BOP is on Page 3. Actual model will not be known until the bid is let.) After surface and intermediate casing are each cemented for 8 hours, will nipple up BOP and test each to  $\approx$ 1,500 psi for 15 minutes each. Tests will be recorded in the driller's log. BOPs will be inspected and operated daily.

### 4. CASING & CEMENTING

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u><math>\approx</math> Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	L T & C	New	250'
7-7/8"	5-1/2"	15.5	J-55	L T & C	New	2,800'

Merrion Oil & Gas Corporation  
Buzzard Breath #1  
70' FNL & 2224' FWL  
Sec. 10, T. 19 S., R. 7 E.  
Emery County, Utah

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Will place centralizer on each joint of surface casing. Surface casing will be circulated to surface with  $\approx 245$  sacks Class B or Class H + 3%  $\text{CaCl}_2$ . Weight = 15.6 pounds per gallon. Yield = 1.18 cubic feet per sack. Excess: >100%.

Will install float collar with float on top of the shoe joint of the production casing. Will cement production casing to surface. Lead with 20 barrels gel water followed by 10 barrels for a spacer followed by  $\approx 175$  sacks Premium Plus with additives (= 2.63 cubic feet per sack & 12 pounds per gallon). Tail with  $\approx 100$  sacks Premium Plus with additives (= 1.58 cubic feet per sack & 14.2 pounds per gallon). Volumes calculated at 25% excess. Exact volumes will be determined from caliper log. All slurries will include lost circulation additives.

#### 5. MUD PROGRAM

Will drill surface hole with fresh water gel. Will air drill production hole with 2,400 scfm air/mist. Lost circulation material will be on location.

#### 6. DATA GATHERING

Starting with production hole, will run SS surveys with azimuth every 500'. If build rate is  $\geq 1'$  per 100', then SS surveys will be run at 100' intervals. Will also run SS survey at TD. No cores or drill stem tests are planned at this time. Will run caliper, Gamma Ray/Collar log, and Compensated Neutron log.

#### 7. DOWN HOLE CONDITIONS

Maximum anticipated bottom hole pressure is  $\approx 1,000$  psi. No hydrogen sulfide, abnormal pressures, nor abnormal temperatures are expected. Lost circulation is expected.

Merrion Oil & Gas Corporation  
Buzzard Breath #1  
70' FNL & 2224' FWL  
Sec. 10, T. 19 S., R. 7 E.  
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8. MISCELLANEOUS

Projected spud date is upon approval. It will take  $\approx$ 5 days to drill the well and  $\approx$ 4 days to complete the well.

Will complete well by moving in frac tanks. Tanks will be filled with 2% KCl. Will install frac valve and pressure test casing to  $\approx$ 4,000 psi. Will run Gamma Ray/Collar log (and Compensated Neutron log if no open hole logs) and then perforate. Will stimulate and allow well to flow. Run 2-3/8" tubing with notched collar on bottom and seating nipple on top of the bottom joint. Clean hole with air or nitrogen.

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## Surface Use Plan

### 1. EXISTING ROADS & DIRECTIONS (See PAGES 10 - 12)

From the junction of U-57 and U-10 south of Castle Dale ...  
Go North 2.2 miles on U-57  
Then turn left and go Southwest 0.5 miles on County Road 510  
Then turn right and go West 1.2 miles on County Road 511  
Then turn left and go South and West 0.7 miles to a big junction  
Then bear left and go Southwest 2.0 miles to the Buzzard Bench 6-3  
Then turn left and go South 0.5 miles to the Buzzard Bench 3-24  
From the East side of the 3-24 pad ...  
Go Southeast 1,705.83' cross country to the Buzzard Breath #1 pad

*This APD is also doubling as a BLM right-of-way application for that portion of the project in SESW 3-19s-7e. Right-of-way starts at Buzzard Bench 3-24 and ends at and includes the north fourth of the Buzzard Breath #1 pad. Dimensions are 50' x 1,705.83' (=1.96 acres) for the road/pipeline corridor + 0.2 acre for the pad. Total right-of-way area = 2.26 acres.*

### 2. ROAD TO BE BUILT OR UPGRADED (See PAGES 11 & 12)

No upgrading is needed for the existing road. The 1,705.83' of new road will be crowned and ditched with a  $\approx 14'$  wide running surface. Maximum disturbed width will be 50'. Maximum cut or fill will be 20'. Fill below the dugway will be pushed to the west side. Maximum grade will be 10%. A 72" x 50' culvert will be installed beside the pad. Culvert size is based on 79 acre watershed and Talbot formula runoff coefficient of 1 (mountainous country). All other crossings will be low water style. Silt fences (straw rolls or geotextile fabric) will be installed below fill slopes. No fence is crossed.

Merrion Oil & Gas Corporation  
Buzzard Breath #1  
70' FNL & 2224' FWL  
Sec. 10, T. 19 S., R. 7 E.  
Emery County, Utah

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### 3. EXISTING WELLS

There are three existing gas wells and no oil, water, injection, or disposal wells within a mile radius.

### 4. PROPOSED PRODUCTION FACILITIES (See PAGE 12)

A 2 phase separator, 100 barrel water tank, meter run, and pump will be installed on the pad. All surface equipment will be painted a flat dark olive green color. A buried  $\approx 3$ " O. D. steel Schedule 40 (burst pressure >1,000 psi) gas pipeline will parallel the new road for 1,705.83' to tie into Merrion's existing Buzzard Bench 3-24 gas pipeline.

### 5. WATER SUPPLY

Water will be trucked from Neilson Construction Company east of Huntington in 19-17s-9e (water right #93-300)

### 6. CONSTRUCTION MATERIALS & METHODS

There is no topsoil on the pad. Diversion ditch will be cut west of the pad. The reserve pit will be lined with minimum 12 mil plastic. The north corner of the pad will be rounded to reduce fill.

### 7. WASTE DISPOSAL

The reserve pit will be fenced 4' high on 3 sides with 4 strands of barbed wire or woven wire topped with barbed wire. The fourth side will be fenced once the rig moves off hole. The fence will be kept in good repair while the pit

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Emery County, Utah

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dries. No fluids will be discharged in the flare pit.

All trash will be placed in a trash cage. When full, it will be hauled to a state approved landfill. There will be no trash burning or disposal of trash in the reserve pit. Chemical toilets will be used for human waste. Their contents will be disposed of in state approved facilities.

No oil will be allowed on the reserve pit. Any oil which accumulates on the pit will be pumped or skimmed off and hauled to a state approved recycle facility. Once dry, the reserve pit contents will be buried in place. The pit will be back filled sufficiently deep so that no liner is exposed.

#### 8. ANCILLARY FACILITIES

There will be no airstrip or formal camp. Camper trailers will be on site for the company man, roughnecks, mud logger, tool pusher, etc.

#### 9. WELL SITE LAYOUT

See PAGES 13 and 14 for depictions of the well pad, cross sections, cut and fill diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, and rig orientation.

#### 10. RECLAMATION

After completing drilling, the well site and immediate area will be cleared of all debris and material not needed for production.

Reclamation will start when the reserve pit is dry. At least 2' of cover will be placed on the reserve pit. All areas not needed for production will be back filled, contoured to match natural contours, and reserved topsoil and brush evenly spread. If the well is a producer, then enough topsoil will be kept aside

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70' FNL & 2224' FWL  
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to reclaim the rest of the pad. Disturbed areas will be ripped, harrowed, or scarified before seeding.

All reclaimed areas will be broadcast seeded in late fall or winter with seed mix specified by BLM. Seeded areas will be left rough and lightly harrowed or drug with a chain after seeding.

#### 11. SURFACE OWNER

All construction is on BLM.

#### 12. OTHER INFORMATION

Closest hospital is an hour drive north in Price. The Castleview Hospital is at 300 North Hospital Drive. Phone number is (435) 637-4800.

#### 13. REPRESENTATION

Anyone having questions concerning the APD should contact:

Brian Wood  
Permits West, Inc.  
37 Verano Loop  
Santa Fe, NM 87508  
(505) 466-8120    FAX: (505) 466-9682    Mobile: (505) 699-2276

The field representative during drilling and production will be:

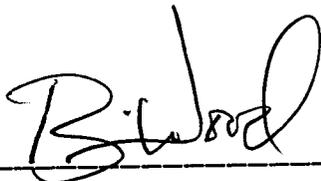
John Thompson  
Merrion Oil & Gas Corporation  
610 Reilly Ave.  
Farmington, NM 87401  
(505) 327-9801    FAX (505) 326-5900    Mobile: (505) 320-1748

Merrion Oil & Gas Corporation  
Buzzard Breath #1  
70' FNL & 2224' FWL  
Sec. 10, T. 19 S., R. 7 E.  
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I hereby certify Merrion Oil & Gas Corporation has the necessary consents from the proper lease and unit interest owners to conduct lease and unit operations in conjunction with this APD. Bond (NM-0883) coverage *per* 43 CFR 3104 for lease activities is being provided by Merrion Oil & Gas Corporation.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Merrion Oil & Gas Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U. S. C. 1001 for the filing of a false statement.



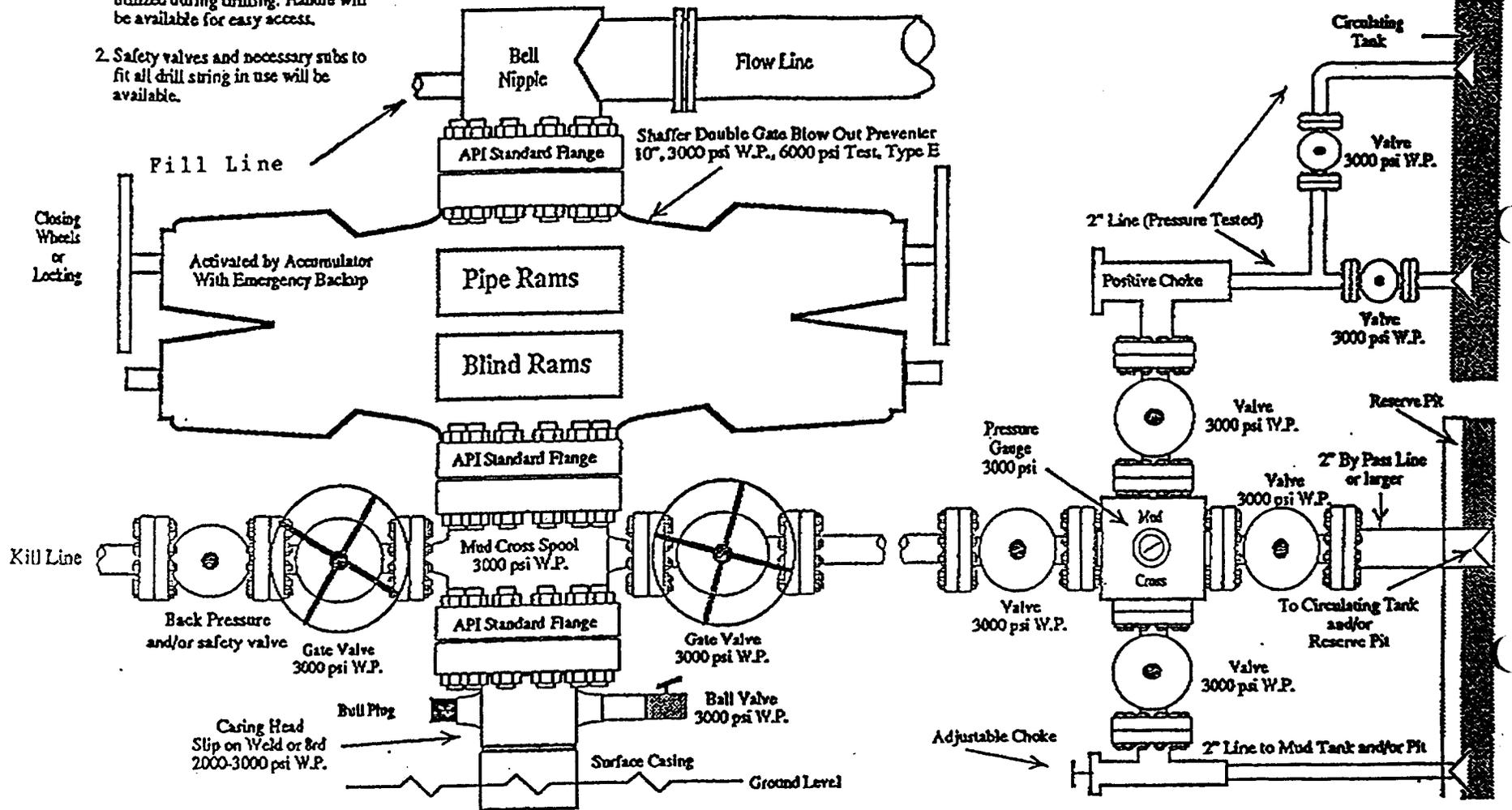
\_\_\_\_\_  
Brian Wood, Consultant

April 18, 2004

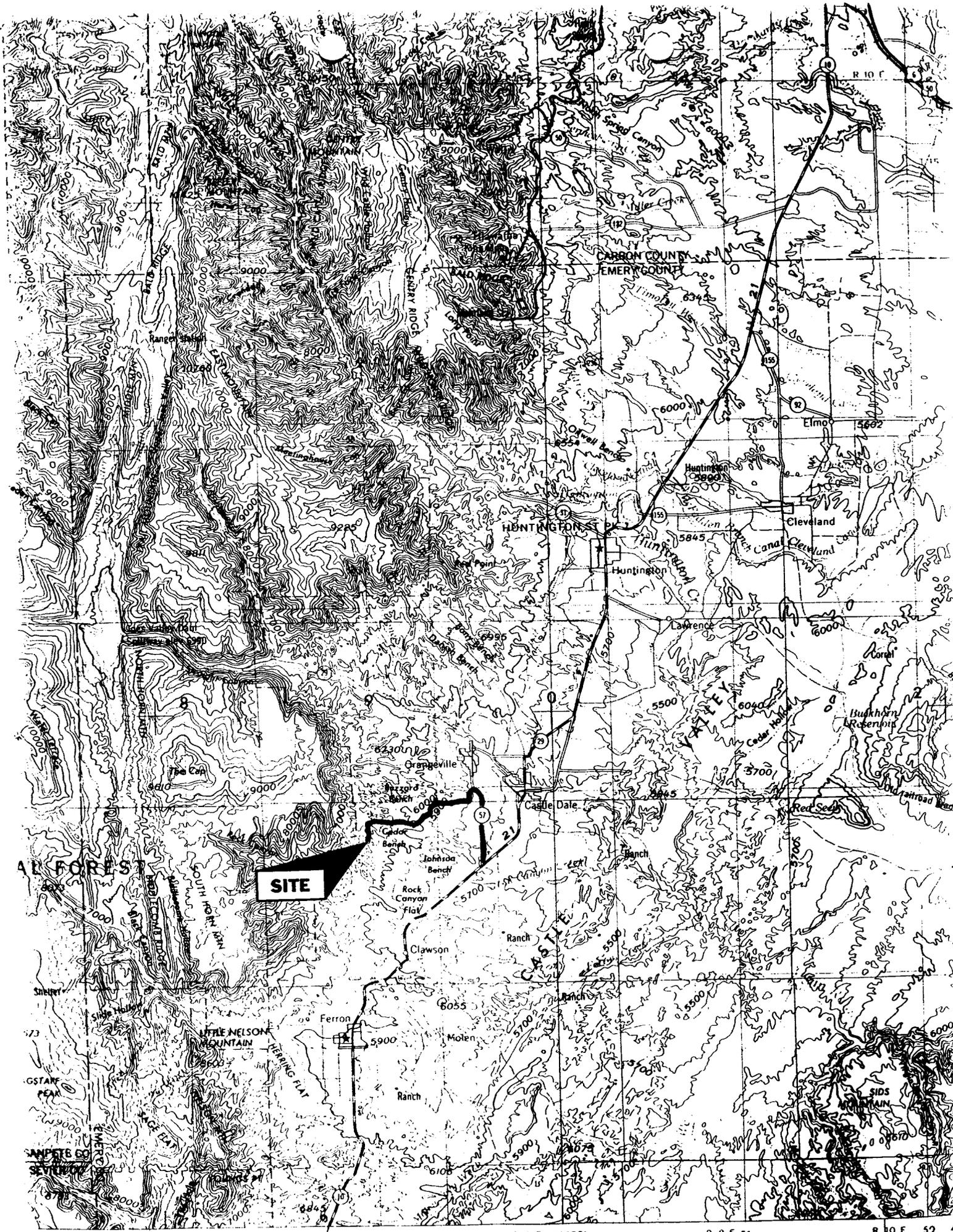
Pressure Control Equipment

Minimum 2" Choke Line.  
 Minimum 2" Kill Line.  
 At Least One 2" Minimum Kill Line Valve.

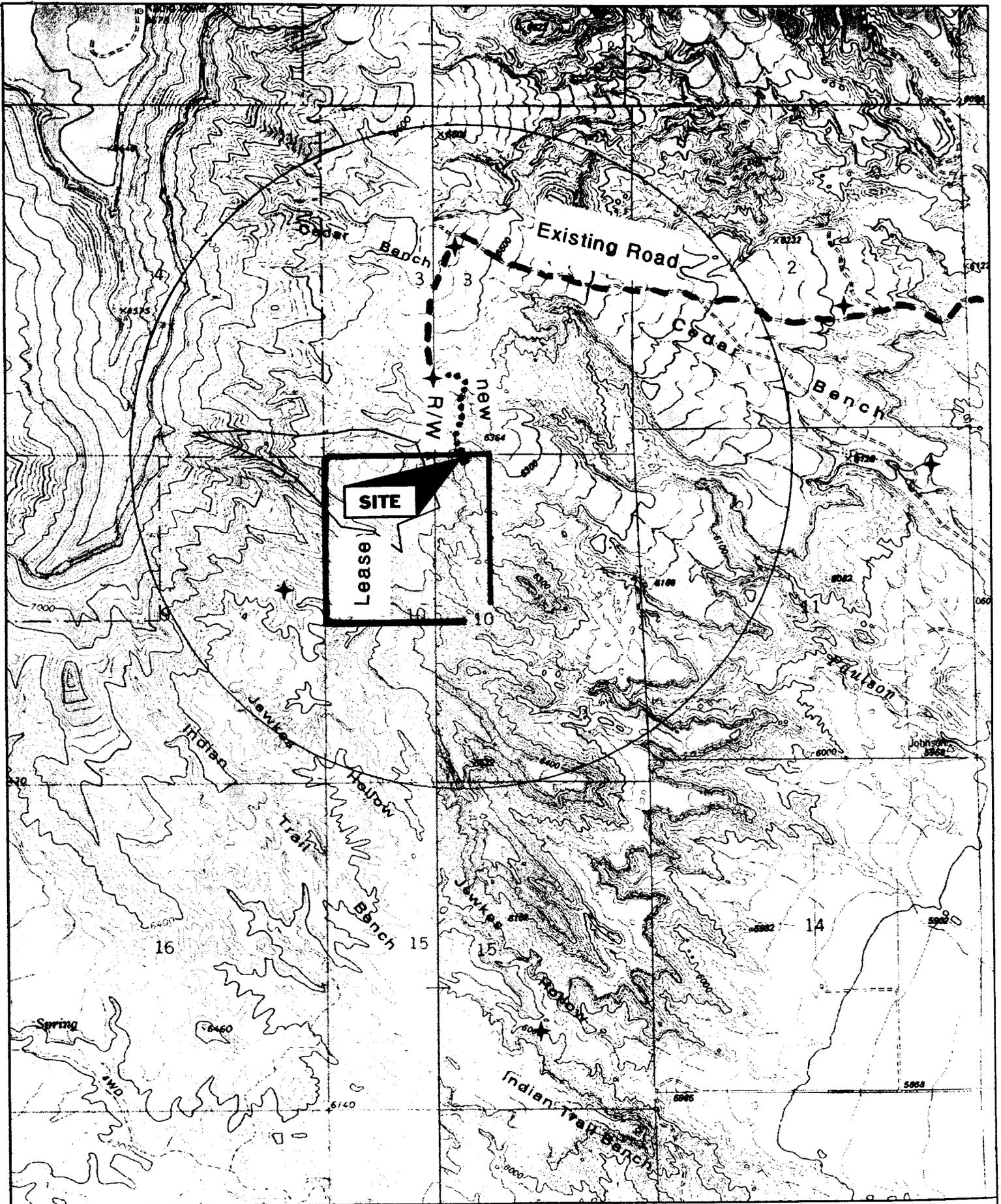
- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.  
 2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.



**SITE**



Name: CASTLE DALE  
 Date: 12/9/2003  
 Scale: 1 inch equals 2000 feet

Location: 039.1835318° N 111.1219939° W  
 Caption: 10, 19S-7E  
 Emery County, Utah

1/4 Cor.

S 4 S 3

North\* 2640.00\*

S 4 S 3

S 89°47'54" W (calc.)

2094.51

S 9 S 10

South\* 2659.33 (calc.)

S 9 S 10

1/4 Cor.

existing wellhead  
0+00 - BOL at existing well pad

Section 3  
1,705.83 L.F.

PI 3 11+76.04

PI 2 14+98.16

PI 1 16+03.89  
2646.52 (calc.)

17+05.83 - EOL at proposed well pad

proposed Buzzard Breath #1 location

PI 9 1+37.18

PI 8 6+06.87

PI 7 8+11.04

PI 6 9+67.67

1/4 Cor.

S 3 East\*

S 10 2360.82\*

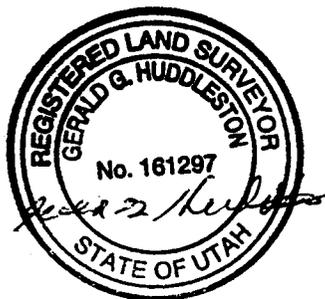
LINE DESCRIPTION TABLE

LINE NO.	DIRECTION	LENGTH
1	N 57°44'24" E	137.18
2	S 64°14'10" E	469.69
3	S 11°56'34" W	204.17
4	S 1°16'49" E	156.63
5	S 24°58'54" W	208.37
6	S 3°04'11" E	322.12
7	S 23°06'35" W	105.73
8	S 27°55'55" E	101.94
9 (TIE)	N 89°47'54" E	552.01
10 (TIE)	N 39°50'55" W	1541.13

Basis of Bearing:  
GPS state plane coordinates rotated.



0' 500'  
Scale 1" = 500'



- ⊕ fnd. brass cap
- ◇ calculated corner
- from GLO plat of record
- survey centerline PI

MERRION OIL & GAS CORPORATION

Proposed Buzzard Breath #1 access road right-of-way -

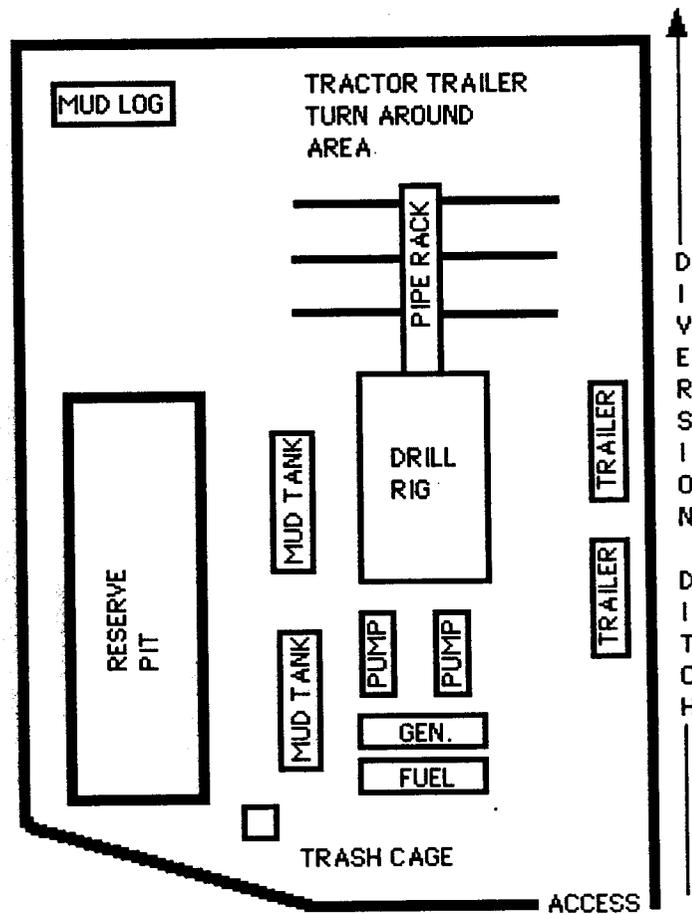
Section 3,  
T.19 S., R.7 E., SLM  
Emery County, Utah

revised July 2003  
April 2003

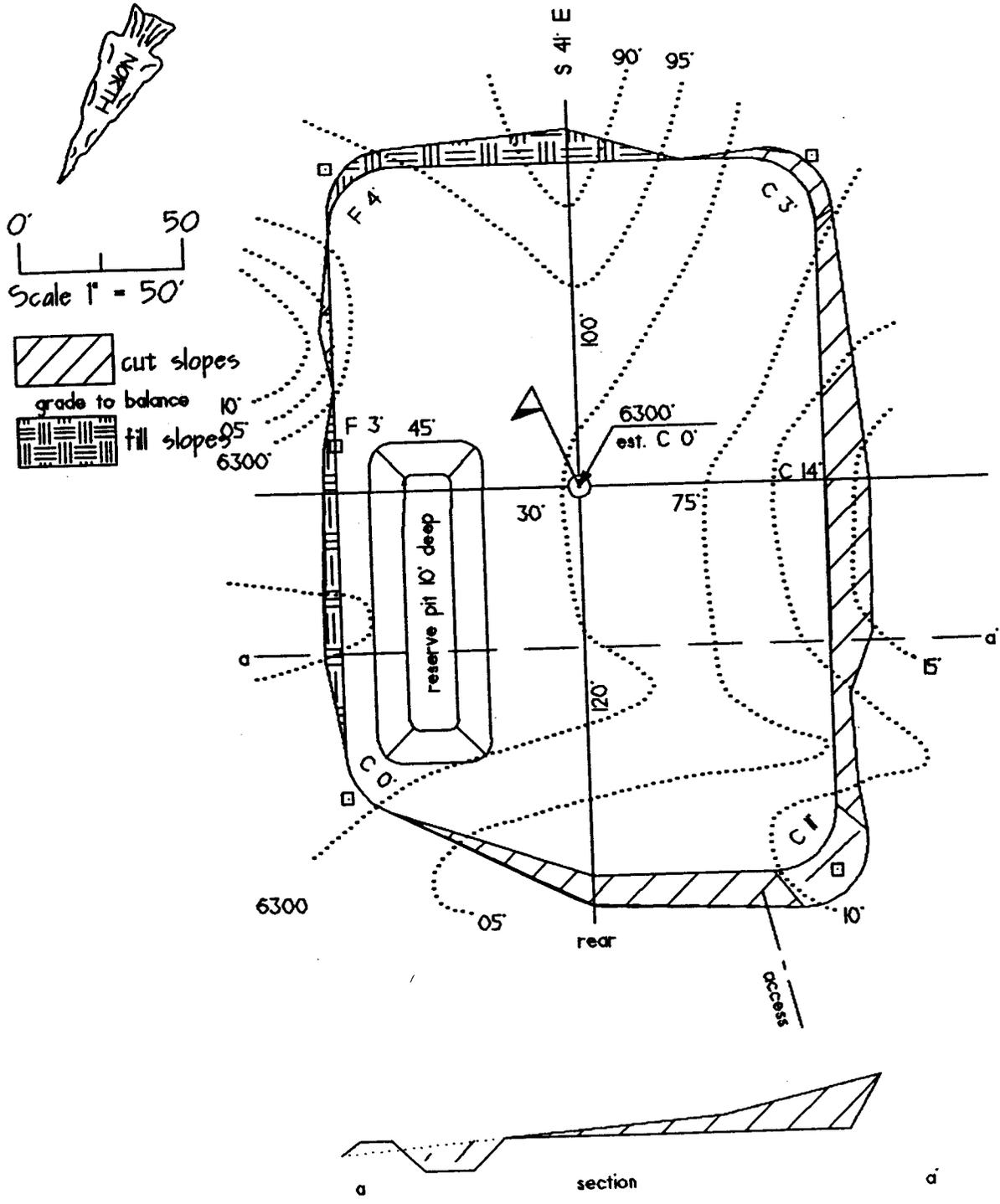
HUDDLESTON LAND SURVEYING  
P.O. DRAWER KK / CORTEZ, CO 81321 / 970-565-3330

Merrion Oil & Gas Corporation  
Buzzard Breath #1  
70' FNL & 2224' FWL  
Sec. 10, T. 19 S., R. 7 E.  
Emery County, Utah

1" = 50'



Buzzard Breath # 1  
well pad & section



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/20/2004

API NO. ASSIGNED: 43-015-30558

WELL NAME: BUZZARD BREATH #1

OPERATOR: MERRION OIL & GAS CORP ( N0630 )

CONTACT: BIRAN WOOD

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:

<sup>NE</sup><sub>SW</sub> NW 10 190S 070E

SURFACE: 0070 FNL 2224 FWL

BOTTOM: 0070 FNL 2224 FWL

EMERY

BUZZARD BENCH ( 132 )

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-018889A

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.18999

LONGITUDE: 111.12341

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. NM-0883 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 93-300 )
- RDCC Review (Y/N)  
(Date: )
- Fee Surf Agreement (Y/N)

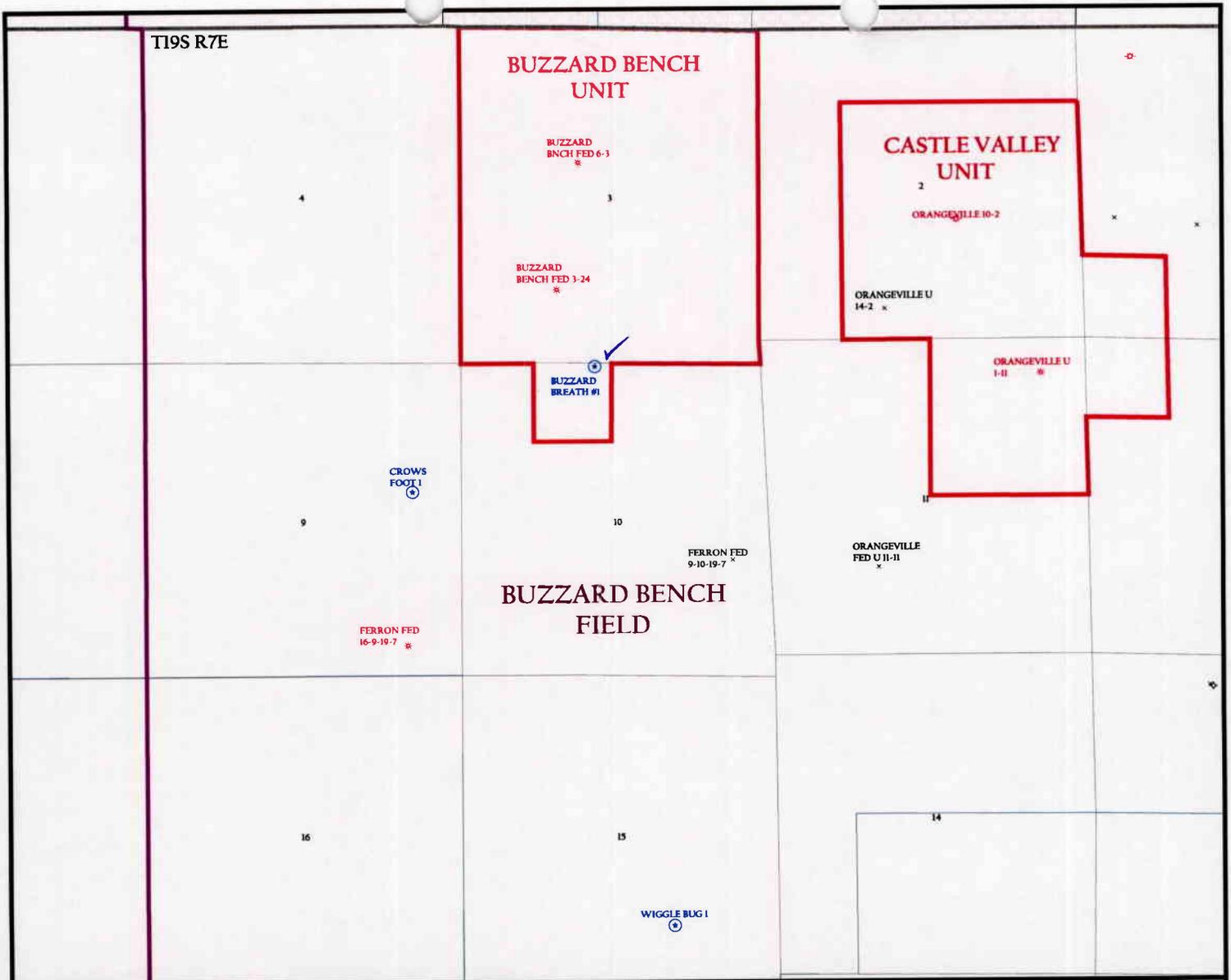
LOCATION AND SITING:

- R649-2-3.
- Unit BUZZARD BENCH *OK*
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

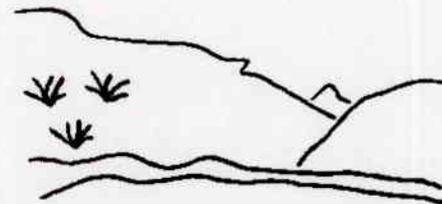
COMMENTS: \_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

*1- Federal Approval*  
*2- Spacing Sp?*



OPERATOR: MERRION O&G CORP (N0630)  
 SEC. 10 T.19S, R.7E  
 FIELD: BUZZARD BENCH (132)  
 COUNTY: EMERY  
 SPACING: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

Well Status

- ♠ GAS INJECTION
- ◊ GAS STORAGE
- × LOCATION ABANDONED
- ⊕ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- \* PRODUCING GAS
- PRODUCING OIL
- ⊖ SHUT-IN GAS
- ⊕ SHUT-IN OIL
- ⊗ TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- ◆ WATER SUPPLY
- ⚡ WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY  
 DATE: 26-APRIL-2004



State of Utah

April 27, 2004

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

Merrion Oil & Gas Corporation  
610 Reilly Ave.  
Farmington, NM 87401

Re: Buzzard Breath #1 Well, 70' FNL, 2224' FWL, NE NW, Sec. 10, T. 19 South,  
R. 7 East, Emery County, Utah

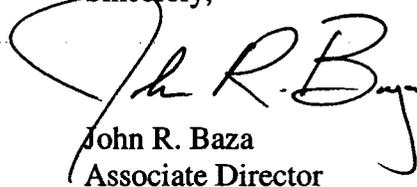
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30558.

Sincerely,



John R. Baza  
Associate Director

pab  
Enclosures

cc: Emery County Assessor  
Bureau of Land Management, Moab District Office

**Operator:** Merrion Oil & Gas Corporation

**Well Name & Number** Buzzard Breath #1

**API Number:** 43-015-30558

**Lease:** UTU-018889A

**Location:** NE NW                      **Sec.** 10                      **T.** 19 South                      **R.** 7 East

### **Conditions of Approval**

#### **1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### **2. Notification Requirements**

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

#### **3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

#### **4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.**

#### **5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.**

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

005

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU-018889A</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>BUZZARD BREATH 1</b>	
2. NAME OF OPERATOR: <b>MERRION OIL &amp; GAS CORPORATION</b>		9. API NUMBER: <b>4301530558</b>
3. ADDRESS OF OPERATOR: <b>610 REILLY AVE.</b> CITY <b>FARMINGTON</b> STATE <b>NM</b> ZIP <b>87401</b>	PHONE NUMBER: <b>(505) 327-9801</b>	10. FIELD AND POOL, OR WILDCAT: <b>BUZZARD BENCH</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>70 FNL &amp; 2224 FWL</b>		COUNTY: <b>EMERY</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENW 10 19S 7E S</b>		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____  <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>RENEW APD</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<b>APPROVAL</b>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

REQUEST STATE RENEW APPROVAL OF APD.  
MERRION IS WAITING FOR BLM APPROVAL.

**Approved by the  
Utah Division of  
Oil, Gas and Mining**  
Date: 05-12-05  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 5-18-05  
Initials: CHO

NAME (PLEASE PRINT) <u>BRIAN WOOD</u>	TITLE <u>CONSULTANT</u>
SIGNATURE <u>[Signature]</u>	DATE <u>5/14/2005</u>

(This space for State use only)

**RECEIVED**  
**MAY 16 2005**

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-015-30558  
**Well Name:**  
**Location:**  
**Company Permit Issued to:**  
**Date Original Permit Issued:**

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No  *Still BLM*

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

*TJ Wood*  
\_\_\_\_\_  
Signature

5/14/2005  
\_\_\_\_\_  
Date

Title: Consultant

Representing: Evergreen Operating Corporation

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**UTU-018889A**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
**N/A**

7. UNIT or CA AGREEMENT NAME:  
**N/A**

8. WELL NAME and NUMBER:  
**BUZZARD BREATH 1**

9. API NUMBER:  
**4301530558**

10. FIELD AND POOL, OR WILDCAT:  
**BUZZARD BENCH**

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL    OIL WELL     GAS WELL     OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**MERRION OIL & GAS CORPORATION**

3. ADDRESS OF OPERATOR:    CITY **FARMINGTON**    STATE **NM**    ZIP **87401**    PHONE NUMBER: **(505) 327-9801**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **70 FNL & 2224 FWL**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENW 10 19S 7E S**

COUNTY: **EMERY**

STATE: **UTAH**

**11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>RENEW APD APPROVAL</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

**REQUEST STATE RENEW APPROVAL OF APD.  
MERRION IS STILL WAITING FOR BLM APPROVAL.**

**Approved by the  
Utah Division of  
Oil, Gas and Mining**  
Date: 06-19-06  
By: [Signature]

COPIES TO OPERATOR  
DATE: 10/2/06  
INITIALS: Rm

NAME (PLEASE PRINT) **BRIAN WOOD**    TITLE **CONSULTANT**

SIGNATURE [Signature]    DATE **6/10/2006**

(This space for State use only)

**RECEIVED**  
**JUN 15 2006**  
DIV. OF OIL, GAS & MINING

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-015-30558  
**Well Name:** BUZZARD BREATH 1  
**Location:** NENW 10-19S-7E, EMERY COUNTY  
**Company Permit Issued to:** MERRION OIL & GAS CORPORATION  
**Date Original Permit Issued:** ~~5-17-2004~~  
4/27/04

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

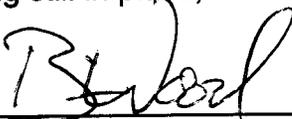
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

  
\_\_\_\_\_  
Signature

6/10/2006  
\_\_\_\_\_  
Date

Title: Consultant

Representing: Merrion Oil & Gas Corporation

RECEIVED  
JUN 15 2006

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

August 3, 2007

Brian Wood  
Merrion O&G Corporation  
610 Reilly Ave.  
Farmington NM 87401

Re: APD Rescinded – Buzzard Breath 1 Sec. 10 T. 19S R. 7E  
Emery County, Utah API No. 43-015-30558

Dear Mr. Wood:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 27, 2004. On May 17, 2005 and June 19, 2006, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective August 3, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Moab

