

ORIGINALLY APPROVED (43-015-30614) 2004
 APPROVAL EXPIRED BEFORE CONSTRUCTION
 NO CHANGE IN DRILLING OR
 CONSTRUCTION PLANS

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

FORM 3

AMENDED REPORT
 (highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML-49168	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>	7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A		8. UNIT or CA AGREEMENT NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	2. NAME OF OPERATOR: MERRION OIL & GAS CORPORATION		9. WELL NAME and NUMBER: SCUD #1	
3. ADDRESS OF OPERATOR: 610 REILLY AVE. CITY FARMINGTON STATE NM ZIP 87401	PHONE NUMBER: (505) 324-5300	10. FIELD AND POOL, OR WILDCAT: BUZZARD BENCH 132		
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1330' FNL & 2525' FWL AT PROPOSED PRODUCING ZONE: SAME	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 16 19S 7E S		14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 6 AIR MILES SW OF CASTLE DALE	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1,330'	16. NUMBER OF ACRES IN LEASE: 640	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1,526' (SPARKLE DUN #1)	19. PROPOSED DEPTH: 3,425	20. BOND DESCRIPTION: RLB0001313		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6,294'	22. APPROXIMATE DATE WORK WILL START: 4/1/2007	23. ESTIMATED DURATION: 2 WEEKS		

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12-1/4"	8-5/8" J-55 24	250	CLASS B or H	245 SX	1.18 15.6
7-7/8"	5-1/2" J-55 15.5	3,425	50/50 POZ	365 SX	1.9 12.5
			TYPE V	110 SX	1.61 14.2

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) BRIAN WOOD PHONE: (505) 466-8120 TITLE CONSULTANT FAX: (505 466-9682)

SIGNATURE *Brian Wood* DATE 2/19/2007

(This space for State use only)

API NUMBER ASSIGNED: 43-015-30705

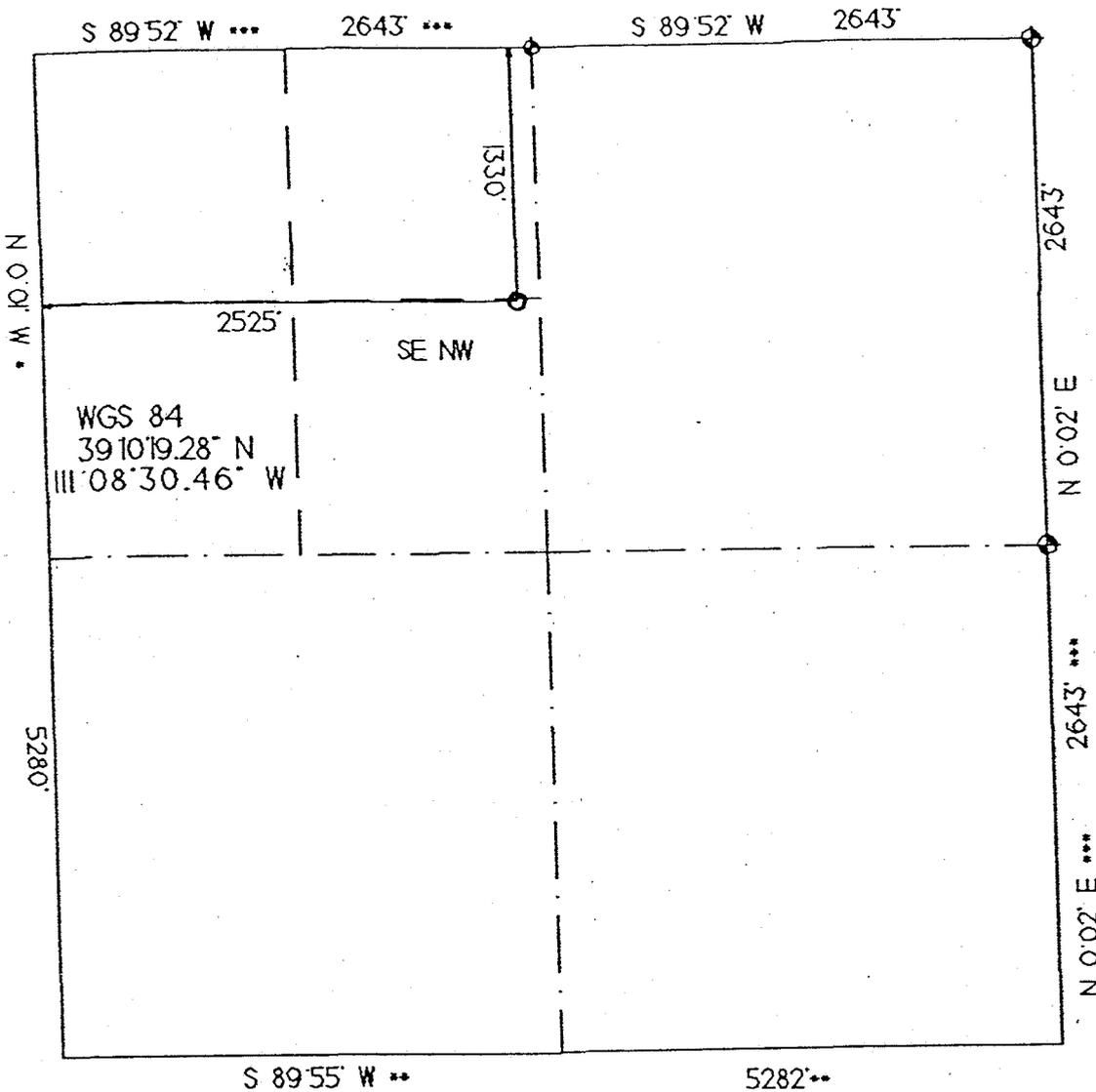
Approved by the
 Utah Division of
 Oil, Gas and Mining

APPROVAL:
 Date: 04-05-07
 By: *[Signature]*

RECEIVED
 FEB 22 2007

DIV. OF OIL, GAS & MINING

Well Location Plat



NORTH

0' 1000'

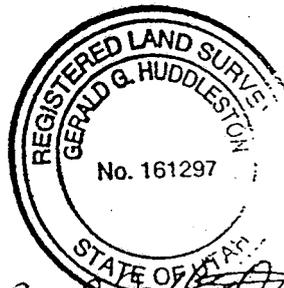
1" = 1000'

brass cap

- * from BLM/GLO plat of record
- ** calculated
- *** assumed

Well Location Description

MERRION OIL & GAS CORPORATION
 Scud # 1
 1330' FNL & 2525' FWL
 Section 16, T.19 S., R.7 E., SLM
 Emery County, UT
 6294' grd. el. (from GPS)



Gerald G. Huddleston
 Gerald G. Huddleston, LS

05/27/04

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

Merrion Oil & Gas Corporation
 Scud #1
 1330' FNL & 2525' FWL
 Sec. 16, T. 19 S., R. 7 E.
 Emery County, Utah

Drilling Program

<u>1. Formation Name</u>	<u>Depth from GL</u>	<u>Depth from KB</u>	<u>Elevation</u>
Mancos Shale	0'	10'	+6,294'
Emery Sandstone	708'	718'	+5,586'
Blue Gate Shale	1,300'	1,310'	+4,994'
Ferron Sandstone	2,850'	2,860'	+3,444'
Total Depth	3,425'	3,435'	+2,869'

(All depths are based on an ungraded ground level of 6,294')

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 ≈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>≈ 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	3,425'

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Will place centralizer on each joint of surface casing. Surface casing will be circulated to surface with ≈ 245 sacks Class B or Class H + 3% CaCl_2 . Weight = 15.6 pounds per gallon. Yield = 1.18 cubic feet per sack. Excess: >100%.

Long string will be cemented to surface. 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 ≈ 365 sacks 50/50 Poz with 8% gel + 10% CalSeal + 1.4 pound per sack Flocele (slurry = 12.5 pounds per gallon & 1.9 cubic feet per sack. Tail with ≈ 110 sacks Type V with 10% CalSeal + 1% CaCl_2 + 1/4 pound per sack Flocele (slurry = 14.2 pounds per gallon & 1.61 cubic feet per sack. Total volume = 890 cubic feet calculated at 50% excess of gauge hole. Exact volumes will be determined from caliper log. All slurries will include lost circulation additives.

5. MUD PROGRAM

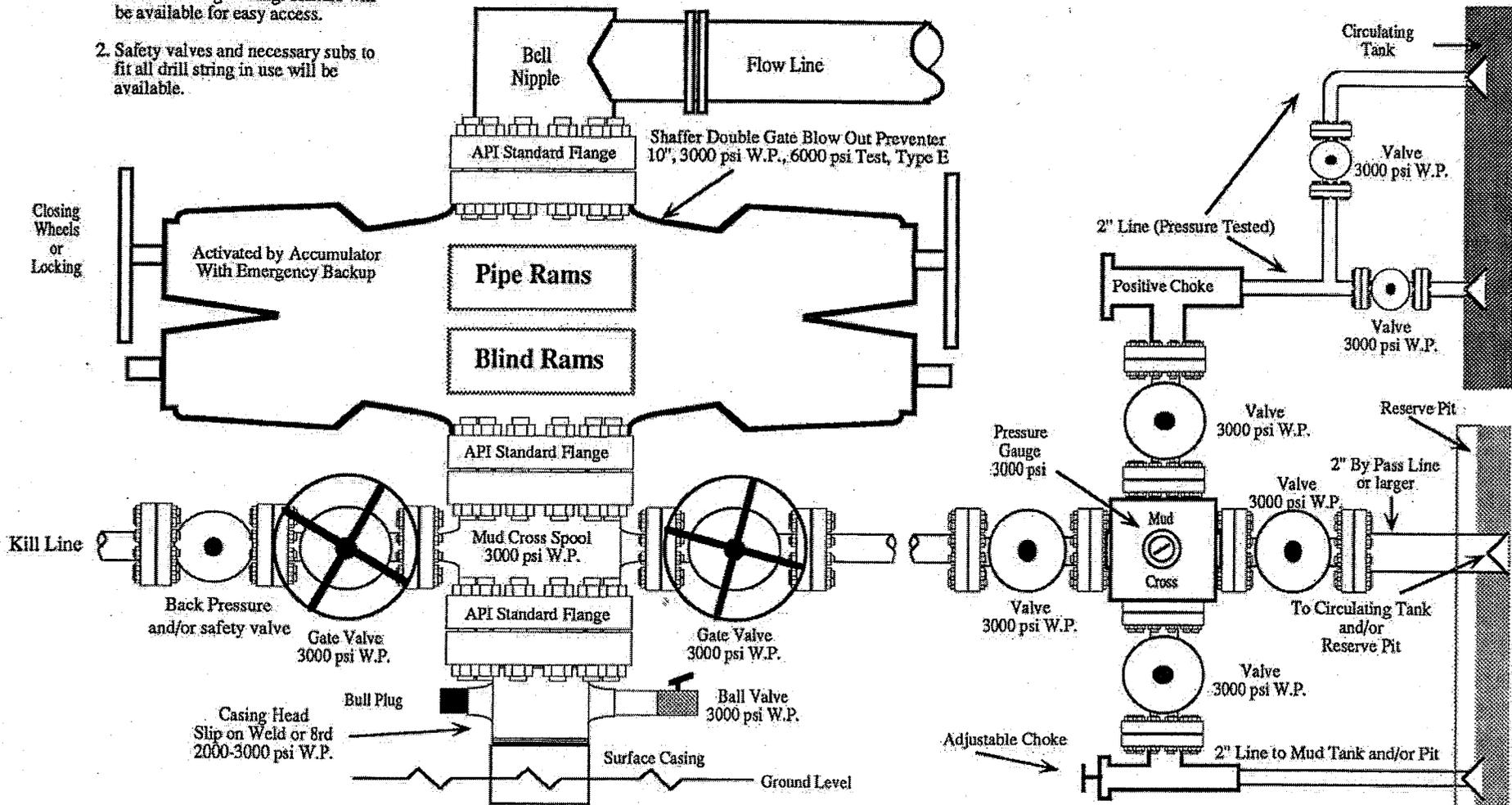
Will drill surface hole with fresh water gel. Will air drill production hole with $\approx 2,400$ scfm air/mist. Lost circulation material will be on location.

6. DATA GATHERING

Starting with production hole, will run SS surveys with azimuth every 500'. If build rate is $\geq 1^\circ$ 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 Dual Induction, Guard, Gamma Ray/Collar, Cement Bond, and Compensated Density Neutron logs.

2,000 PSI BOP SYSTEM

- 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.

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1330' FNL & 2525' FWL
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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.

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 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. DIRECTIONS (See PAGES 10 - 13)

From the equivalent of Mile Post 33.1 on U-10 south of Castle Dale ...
Go West 2.4 miles on a dirt road to the top of a dam
Then bear right and go Northwest 0.9 miles on a dirt road
Then turn left and go West 3/4 mile on Merrion's existing Sparkle Dun road
Then bear right and go Northwest 3,417.92' cross country to the pad

2. ROAD TO BE BUILT OR UPGRADED (See PAGES 11 - 13)

No upgrading is needed for the existing road. The 3,417.92' 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 $\approx 25'$. No fence is crossed. No turn out is needed. Culverts will be installed as follows from east to west:

18" x 20' & 30" x 40' between PI 5 & PI 6
18" x 20' & 24" x 30' between PI 4 & PI 5
18" x 30' & 18" x 20' between PI 4 & PI 3
18" x 20' between PI 2 & PI 3
18" x 20' between PI 2 & PI 1
18" x 20' & 36" x 50' between PI 1 & Pad

3. EXISTING WELLS (See PAGE 11)

There are four gas wells, two plugged wells, and no oil, water, injection, or disposal wells within a mile radius.

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4. PROPOSED PRODUCTION FACILITIES (See PAGES 11 - 13)

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 ≈ 3 " O. D. polyethylene low pressure gas pipeline will laid on the surface parallel to the new road for 3,417.92' to tie into Merrion's gas pipeline at its existing Sparkle Dun well.

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

Topsoil will stripped and stored east of the pad. Diversion ditch will be cut south of the pad. The reserve pit will be lined with minimum 12 mil plastic.

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 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.

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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 14 and 15 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 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 the state. Seeded areas will be left rough and lightly harrowed or drug with a chain after seeding. Water bars will be installed at

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Emery County, Utah

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least half in cut and skewed to drain. Road will be blocked.

11. SURFACE OWNER

All construction is on lease and on SITLA.

12. OTHER INFORMATION

Closest hospital is a 1-1/4 hour drive north in Price. The Castleview Hospital is at 300 North Hospital Drive. Phone number is (435) 637-4800.

Archaeology report CASA 04-65 was filed on June 16, 2004 by Complete Archaeological Service Associates.

This APD is also serving as an application for an exception location. I am requesting an exception because of topography (steep badland slopes). There is 20' of cut on the location. (The USGS map uses 40' contours.) The well is staked 450' too far north and 345' too far east of the drilling window. Nevertheless, this pushes it towards the interior of the SITLA lease. Closest existing or proposed well is Merrion's proposed Sparkle Dun which will be 1,526' northeast. That proposed Merrion well is on the same SITLA lease.

This well is staked at 1330' FNL & 2525' FWL on a 640 acre SITLA lease. An orthodox well could be staked at 1780' FNL & 2180' FWL, but this would move it into rougher terrain and toward the exterior of the lease. Merrion is requesting permission to drill at 1330' FNL & 2525' FWL 16-19s-7e. This is the only oil or gas well existing or planned in the quarter section. Closest well is Merrion's Sparkle Dun #1 well which is 1,526' east. Closest lease line is 1,330' north. Merrion is owner of all drilling units within a minimum 2,525' radius. This includes all of Section 16 and six of the eight directly or diagonally offsetting drilling units. The units (S2 & NE4 Sec. 16) toward which the well encroaches are part of the same Merrion SITLA lease.

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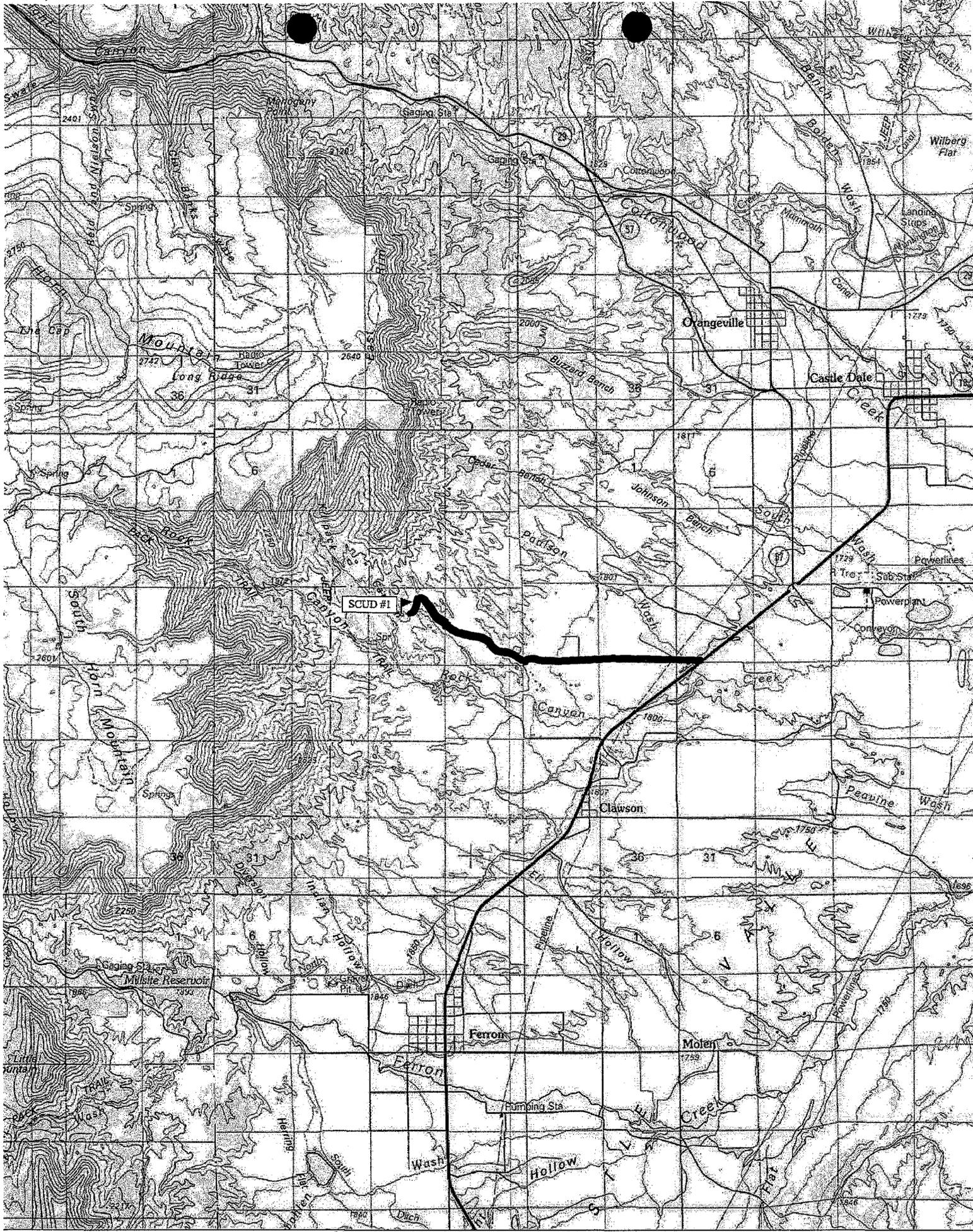
13. REPRESENTATION

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:

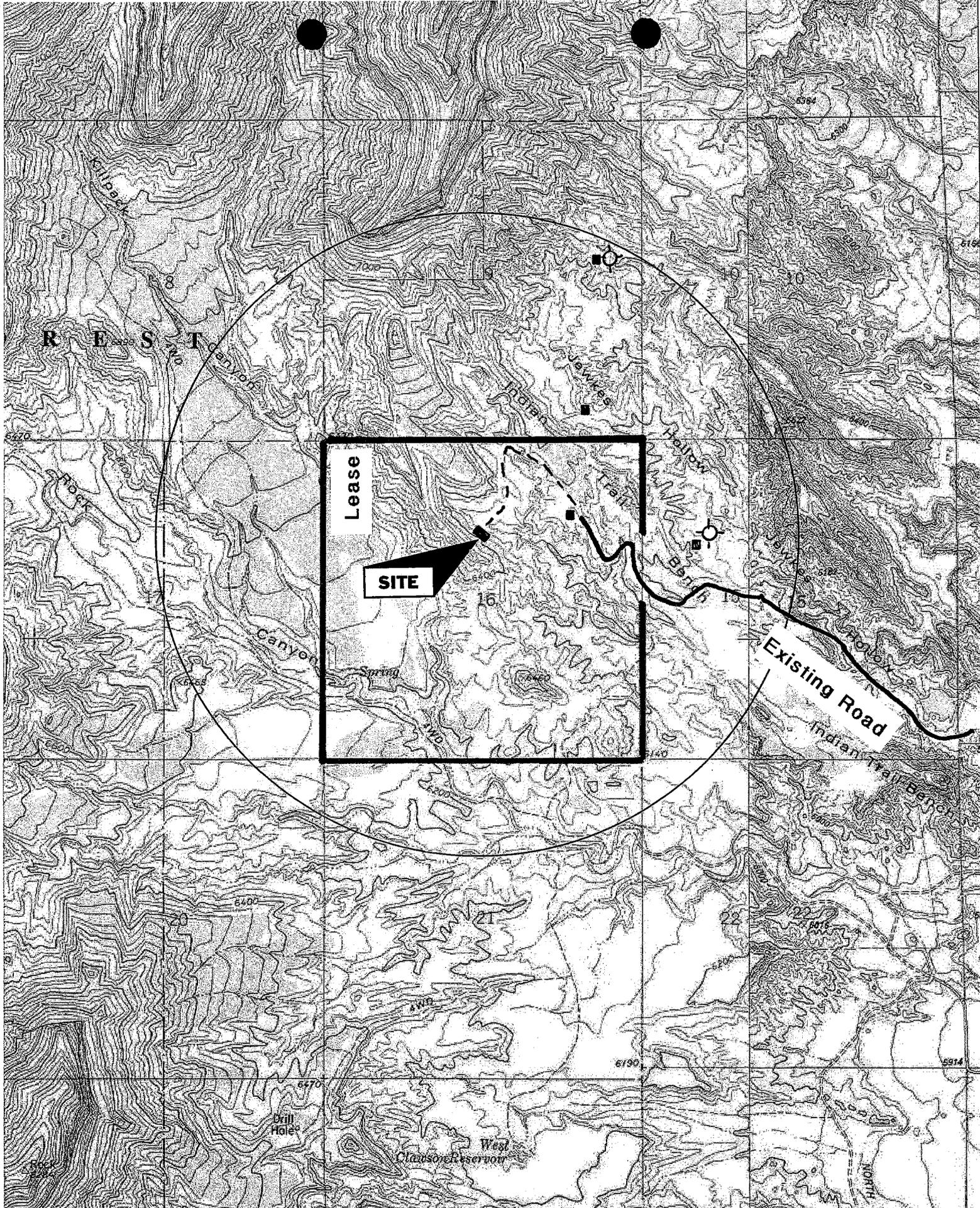
Steve Dunn
Merrion Oil & Gas Corporation
610 Reilly Ave.
Farmington, NM 87401
(505) 324-5312 FAX (505) 324-5350



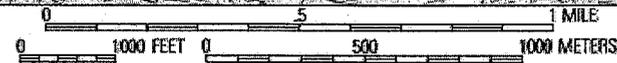
SCUD #1

N * / MN

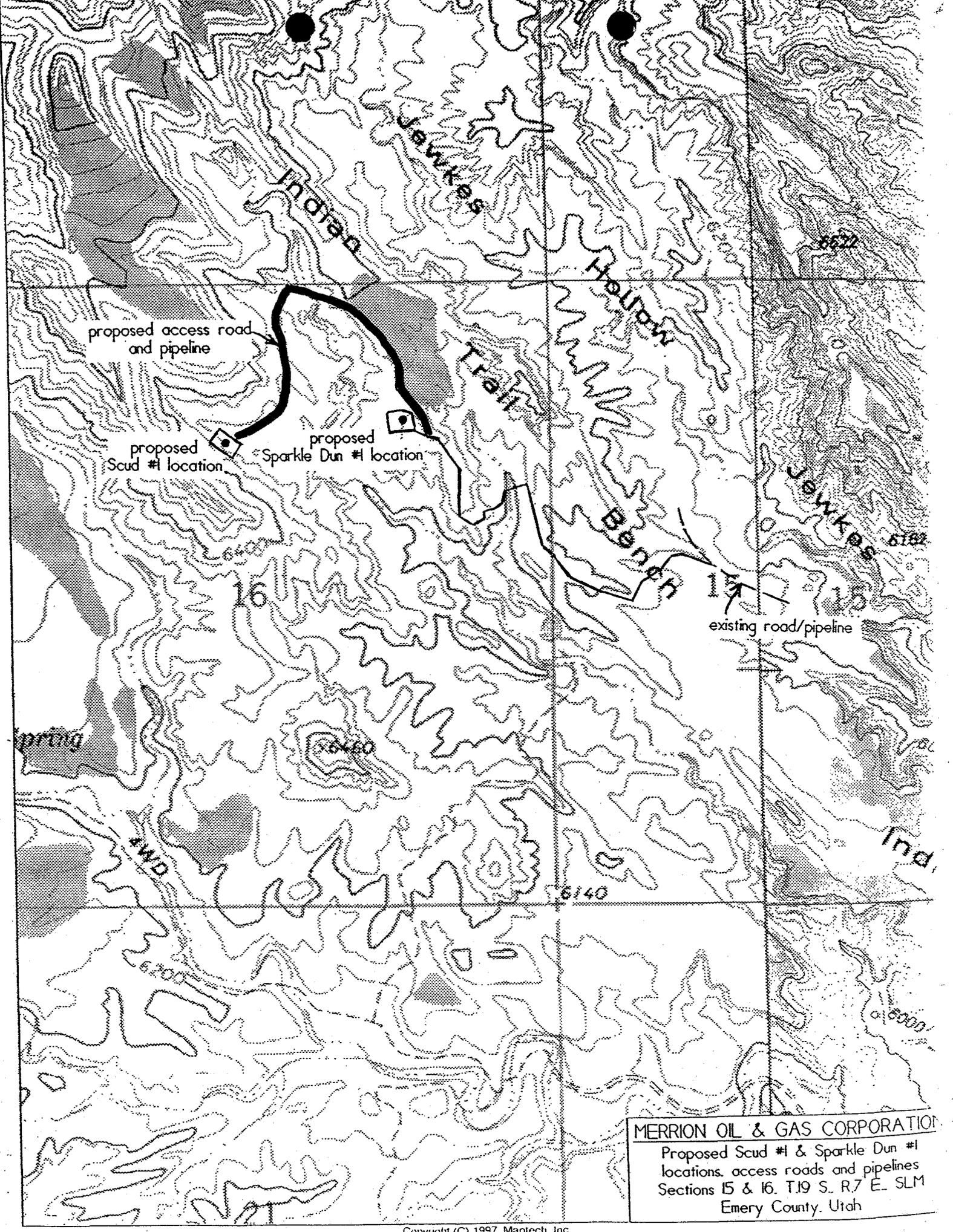
0,0 0,5 1,0 1,5 2,0 2,5 3,0 3,5 miles



TN * MN
12 1/4°



Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)



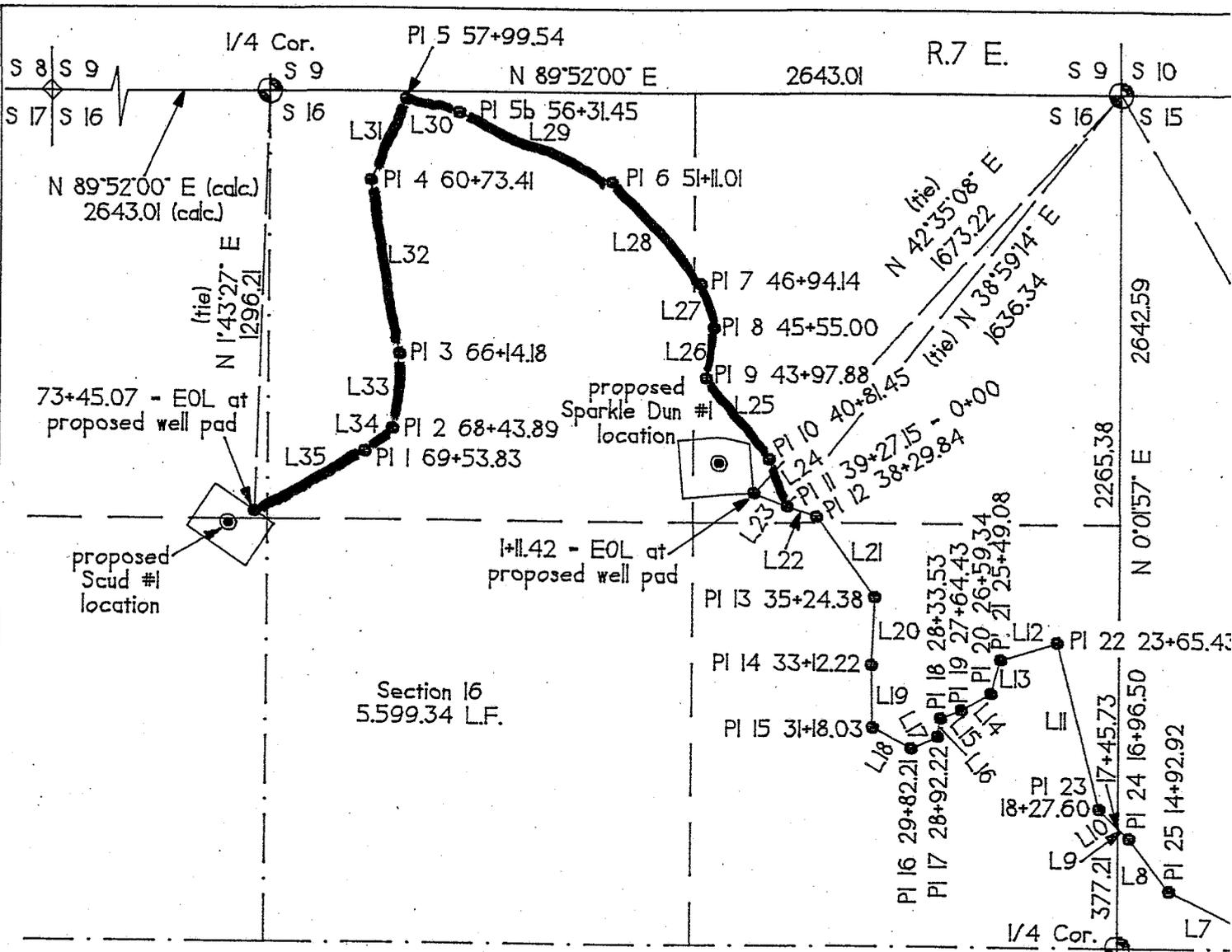
proposed access road and pipeline

proposed Scud #1 location

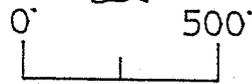
proposed Sparkle Dun #1 location

existing road/pipeline

MERRION OIL & GAS CORPORATION
Proposed Scud #1 & Sparkle Dun #1
locations, access roads and pipelines
Sections 15 & 16, T19 S, R7 E, SLM
Emery County, Utah

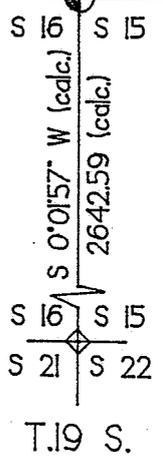


Basis of Bearing:
GPS state plane coordinates
rotated.

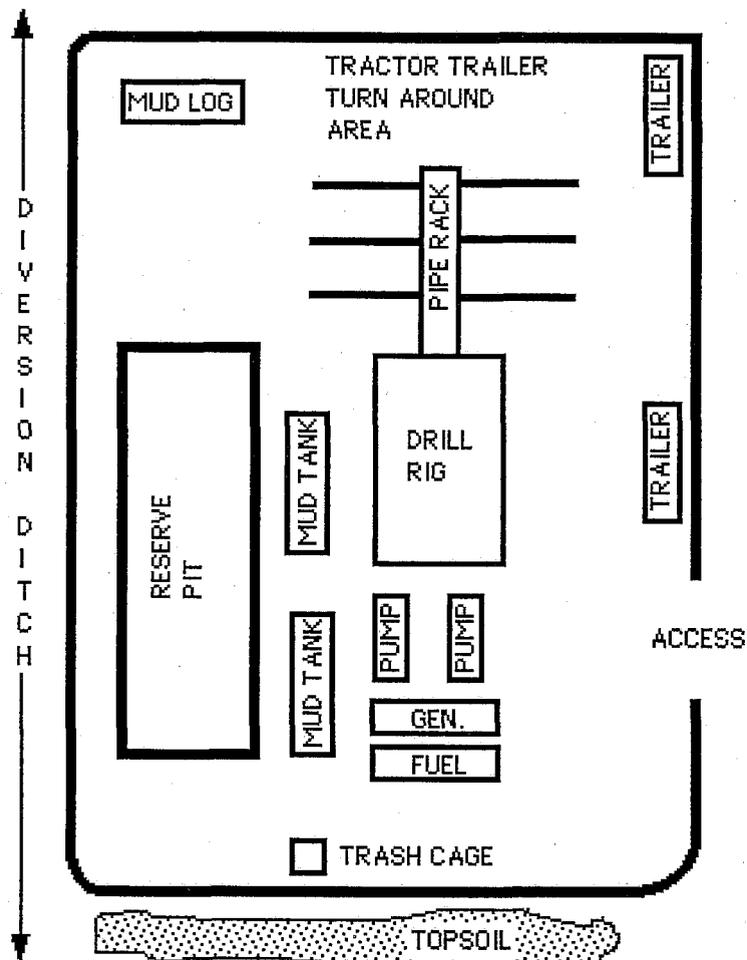


Scale: 1" = 500'

- ⊕ fnd. stnd. GLO/BLM monument
- ◇ calculated corner
- from GLO/BLM plat of record
- survey centerline PI



Merrion Oil & Gas Corporation
Scud #1
1330' FNL & 2525' FWL
Sec. 16, T. 19 S., R. 7 E.
Emery County, Utah



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/22/2007

API NO. ASSIGNED: 43-015-30705

WELL NAME: SCUD 1
 OPERATOR: MERRION OIL & GAS CORP (N0630)
 CONTACT: BRIAN WOOD

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:
 SENW 16 190S 070E
 SURFACE: 1330 FNL 2525 FWL
 BOTTOM: 1330 FNL 2525 FWL
 COUNTY: EMERY
 LATITUDE: 39.17200 LONGITUDE: -111.1409
 UTM SURF EASTINGS: 487833 NORTHINGS: 4335665
 FIELD NAME: BUZZARD BENCH (132)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWD	3/29/07
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-49168
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[] Ind[] Sta[] Fee[]
 (No. RLB0007313)

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)

Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.
 Unit: _____

___ 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: Needs Permit (02-28-07)

STIPULATIONS: 1- Spacing Strip
2- STATEMENT OF BASIS

T19S R7E

FERRON
FED 16-9-19-7

WOOLY
BUGGER #1

SCUD 1
SCUD 1

SPARKLE
DUN 1

16

BUZZARD BENCH FIELD

OPERATOR: MERRION O&G CORP (N0630)

SEC: 16 T.19S R. 7E

FIELD: BUZZARD BENCH (132)

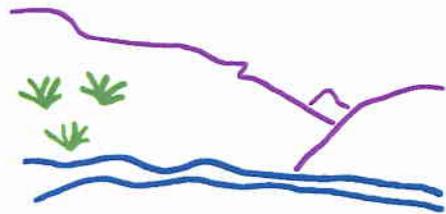
COUNTY: EMERY

SPACING: R649-3-3 / EXCEPTION LOCATION

- Field Status**
- ABANDONED
 - ACTIVE
 - COMBINED
 - INACTIVE
 - PROPOSED
 - STORAGE
 - TERMINATED

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

- Wells 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
 - DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 2-MARCH-2007

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

3/6/2007

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
272	43-015-30705-00-00		GW	S	No
Operator	MERRION OIL & GAS CORP		Surface Owner-APD		
Well Name	SCUD 1		Unit		
Field	UNDESIGNATED		Type of Work		
Location	SEW 16 19S 7E S 1330 FNL 2525 FWL GPS Coord (UTM) 487833E 4335665N				

Geologic Statement of Basis

Significant volumes of high quality ground water are unlikely to be encountered in the bedrock at this location. A poorly to moderately permeable soil is likely to be developed on the Middle unit of the Emery Sandstone Member of the Mancos Shale. A shallow, minor fresh water resource may be encountered in the Lower unit of the Emery Sandstone. The proposed casing and cementing program should adequately isolate any zones of fresh water that may be penetrated but the casing should be extended as needed to isolate the Lower unit of the Emery Sandstone. No underground water rights have been filed on an area within a mile of the proposed well location.

Chris Kierst
APD Evaluator

3/6/2007
Date / Time

Surface Statement of Basis

Surface issues discussed: Project site lies within DWR classified "high value" mule deer winter range. Therefore Division of Wildlife Resources (DWR) recommending no construction or drilling activities during winter closure dates (Dec. 1-April 15). In anticipation of increased OHV traffic as a result of access road Emery County and DWR request that winter closure restrictions be placed on public access. DWR requesting the Merrion Oil & Gas Corporation participate in May raptor flights. Division of Oil, Gas and Mining recommends riprap be placed at diversion points of gully located along northern portion of well pad to protect pad and prevent erosion.

Bart Kettle
Onsite Evaluator

2/28/2007
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	Riprap shall be placed at diversion points of gully.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator MERRION OIL & GAS CORP
Well Name SCUD 1
API Number 43-015-30705-0 APD No 272 Field/Unit UNDESIGNATED
Location: 1/4,1/4 SENW Sec 16 Tw 19S Rng 7E 1330 FNL 2525 FWL
GPS Coord (UTM) 487752 4335879 Surface Owner

Participants

Original on-site evaluation conducted August 25, 2004, see other comments for explanation. Bart Kettle (DOGM), Ray Peterson (Emery County), Brian Wood (Permits West), Tony Wright (DWR).

Regional/Local Setting & Topography

Project area is ~5 miles southwest of Castle Dale, located in Emery county Utah. Proposed well site is surrounded by rangelands cut by many steep gullies and dry wash's flowing to the southeast. Drainages flow into the SanRafeal River and eventually to the Green River 60 miles away. The well site is located in an 8-10" precept zone at the base of the eastern portion of the Wasatch Plateau. A majority of the surface is bare ground, sparse vegetation is due to heavy clay soils formed from Mancos Shale parent material and an arid climate. Agriculture lands are located along the valley floors to the east. With the exception of agriculture lands to the east and montane forest to the west in the upper elevation of the Wasatch Plateau the local topography is arid rangelands dominated by Salt Scrub shrublands and Pinion/Juniper woodlands.

Surface Use Plan

Current Surface Use

Grazing

Wildlife Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
1	Width 180 Length 220	Onsite	MNCS

Ancillary Facilities

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Wash cutting through corner of well pad

Flora / Fauna

Fauna: Mule deer, elk, blacktail jackrabbits, raptors, rodents and reptiles.

Grass: Salina wildrye, small gllata, Indian ricegrass.

Shruds: Shadscale, mat saltbrush, Nuttles saltbrush, black sage, Douglas rabbit brush.

Trees: Utah juniper

Forbs: None noted.

Soil Type and Characteristics

fine gray clays typical of the Manco formation, sandstone fragments

Erosion Issues Y

Soils erosive when disturbed

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required Y

Rip rap require at diversion, round corner of location to avoid wash

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? N

Paleo Potential Observed?

Cultural Survey Run?

Cultural Resources?

Reserve Pit

Site-Specific Factors

Site Ranking

Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Low permeability	0
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0

Final Score 10 3 **Sensitivity Level**

Characteristics / Requirements

Closed Loop Mud Required? N

Liner Required? N

Liner Thickness

Pit Underlayment Required? N

Other Observations / Comments

Original on-site evaluation conducted August 25, 2004 for well called Scud 1 API# 43-015-30614. No changes to drilling plan, or construction plans have been noted in current APD: determination made that original on-site evaluation is adequate to address issues.

DWR classifies area as high value mule deer winter range, therefore request construction restrictions from Dec 1 to April 15. DWR request operator participate in spring raptor surveys. Emery County request gate on operators access roads to avoid vested right to travel said routes by county citizens. DOGM recommending rip rap be used at gully diversion points to dissipated energy of water flows and control erosion.

Bart Kettle
Evaluator

2/28/2007
Date / Time



State Online Services

Agency List

Business.utah.gov

Search Utah.gov



UTAH DIVISION OF WATER RIGHTS

Sorry. No diversion points. Try browsing!

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2007-03 Merrion SCUM

Casing Schematic

Surface

BHP $0.052(3425)(8.4) = 1496 \text{ psi}$
anticipate 1000 psi

8-5/8"
MW 8.4
Frac 19.3

Gas $.12(3425) = 411$
 $1496 - 411 = 1085 \text{ psi, MAST}$

BoPE 2M ✓

Burst 2950
70% 2065 psi

Max P@ surf. shoe

$.22(3175) = 699$
 $1496 - 699 = 797 \text{ psi}$

Max allowed = 200 psi @ surface ✓
Test to 797 psi ✓

surf. csg deep enough?

✓ Adequate DAD 3/29/07

5-1/2"
MW 8.4

Production
3425. MD

1570
181

TOC @ Mancos 0. ✓

Surface
250. MD

TOC @ 341. To surf w/11% w/o

708' Emery Sandstone

1300' Blue Gate Shale

2850' Ferron Sandstone

Well name:	2007-03 Merrion SCUD 1	
Operator:	Merrion Oil & Gas Corporation	
String type:	Surface	Project ID: 43-015-30705
Location:	Emery County	

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 220 psi
Internal gradient: 0.120 psi/ft
Calculated BHP: 250 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 218 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 68 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 200 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:
Next setting depth: 3,425 ft
Next mud weight: 8.400 ppg
Next setting BHP: 1,495 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 250 ft
Injection pressure: 250 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	250	8.625	24.00	J-55	ST&C	250	250	7.972	89.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	109	1370	12.558	250	2950	11.80	6	244	40.67 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357
FAX: 801-359-3940

Date: March 20, 2007
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 250 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	2007-03 Merrion SCUD 1	
Operator:	Merrion Oil & Gas Corporation	Project ID:
String type:	Production	43-015-30705
Location:	Emery County	

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 113 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Burst

Max anticipated surface pressure: 741 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 1,495 psi

Burst:

Design factor 1.00

Cement top: 341 ft

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.
Neutral point: 2,990 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	3425	5.5	15.50	J-55	LT&C	3425	3425	4.825	457.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1495	4040	2.703	1495	4810	3.22	53	217	4.09 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 801-538-5357
FAX: 801-359-3940

Date: March 20, 2007
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 3425 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

From: Ed Bonner
To: Mason, Diana
Date: 2/22/2007 1:37 PM
Subject: Re: Scud 1

Diana:

As long as everything is the same consider it cleared. Whenever this situation occurs please let us know so we can note our files.

Thanks, Ed

>>> Diana Mason 02/22/07 12:45 PM >>>

Hi Ed,

You gave me a wells clearance on the Scud 1 back in 2004. Since then they LA'd this APD and sent in a new one. Does it need a new wells clearance from SITLA even though everything is the same?

Thanks,
Diana



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 5, 2007

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

Re: Scud #1 Well, 1330' FNL, 2525' FWL, SE NW, Sec. 16, 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 43-015-30705.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Emery County Assessor
SITLA

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
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.
6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)



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

May 30, 2008

Brian Wood
Merrion Oil & Gas Corp.
610 Reilly Ave.
Farmington, NM 87401

Re: APD Rescinded – SCUD 1 Sec. 16, T.19S, R. 7E
Emery County, Utah API No. 43-015-30705

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 5, 2007. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective May 30, 2008.

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

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
SITLA, Ed Bonner