

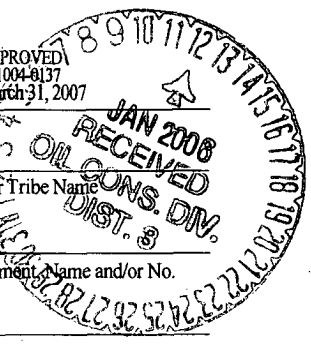
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**

**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007



1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **MERRION OIL & GAS CORPORATION**

3a. Address  
**610 REILLY AVENUE, FARMINGTON, NM 87401**

3b. Phone No. (include area code)  
**505-324-5300**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1525' FNL & 930' FWL  
SECTION 9, T26N, R12W (SW NW)**

5. Lease Serial No.  
**SF-078944-A**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement Name and/or No.

8. Well Name and No.

**NELSON A No. 2**

9. API Well No.

**30-045-32215**

10. Field and Pool, or Exploratory Area  
**GALLEGOS GALLUP**

11. County or Parish, State

**SAN JUAN, NM**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>ADD GALLEGOS GALLUP</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**12/12/05 MIRU Hurricane Well Service Rig #6 on 12/12/05. Blow well down. ND well head & NU BOP. Spot pump and pit. Note: frac tanks and flow back tank already on location. Tanks filled with 2% KCl water. Unseat donut and TOH with 30 stands of 2-3/8" tubing. SWI, secure location & SDON.**

**12/13/05 Found well with 750 psi. RU flow back tank and lines and blow well down. Finish TOH with tubing. RU Black Warrior Wireline Service. RIH with 4-1/2" RBP. Set RBP at 5140' KB. RIH with dump bailer and dump 2 sxs of sand. RIH with 3-1/8" casing gun and perforate the Gallup formation 1 spf at the following depths: 4807', 16', 28', 4914', 18', 21', 32', 35' 35', 82', 5022' - 5030', 1 spf, 5038' - 5044', 1 spf, 5057' & 5073'. Total of 27 holes, EHD: 0.34". RD & release BWWC. PU Baker SAP Tool (straddle packer), collar locator and TIH on 2-3/8" tubing. Correlate depth with collar at 5108'. Set packer at 5120 and pressure test RBP, packer and tubing to 3800 psi - held OK. Drop fluid control valve and pump 20 bbls of water to make sure valve is holding. RU Key Pressure Pumping Services and pump 300 gal of 15% HCL acid, displace with 16.8 bbls of water. Pull up set SAP tool to isolate and break down each perf(s) as follows: 5073, 5057', 5041-5044', 5038'-5040', 5026'-5030' & 5022'-5025'. Pump into perf(s) at each setting. Perfs broke down at 1050 psi to 1100 psi. Release packer and pull up to 4340' (out of acid). SWI, secure location & SDON. Will finish breaking down perfs in the morning.**

\*\*\*CONTINUED OTHER SIDE\*\*\*

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**STEVEN S. DUNN**

Title **DRILLING & PRODUCTION MANAGER**

Signature

Date

**01/01/2006**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

**ACCEPTED FOR RECORD**

**JAN 09 2006**

**FARMINGTON FIELD OFFICE**

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.

(Instructions on page 2)

**NMOCD**

12/22/05 Finish TOH with tubing, change out bits. RIH with new 3-7/8" blade bit on 2-3/8" tubing. Tag up on sand at 4971'. Continue cleaning out with water. Started cleaning out much faster after getting below the bottom perf at 4982'. Continue cleaning out down to 5046'. Lost circulation while circulating out sand at 5046'. Made several attempts to re-establish circulation but never could get any returns. TOH. Called for nitrogen truck to assist in clean out. 1<sup>st</sup> available truck will be December 26<sup>th</sup>. SWI, secure location. SD for Christmas Holiday weekend.

12/26/05 Found well with 400 psi, blow down well to flow back tank. PU retrieving head TIH. Installed string float on top of stand #79 (4786') continue TIH to 5030' (~16' of fill over the weekend). RU Key Pressure Pumping Services (KPPS). Unload hole with nitrogen and start cleaning out to RBP at 5140', latch onto RBP and open unloader and let well equalize. Released RBP, TOH, LD RBP. Well unloading hard. TIH with production string as follows: cut off tail joint, perforated sub, seating nipple and 163 joints (5856.25') of 2-3/8", 4.7#, EUE tubing. Bottom of tubing at 5877' KB, seating nipple at 5856' KB. Will land tubing in the morning after Protechnics runs after frac gamma log. SWI, secure location & SDON.

12/27/05 Found well with 475 psi on casing, 460 psi on tubing. RU Tefteller slickline truck and RIH with Protechnics "after frac" gamma log. Run log across Gallup interval. RD slickline truck. Install donut and land tubing as follows: cut off tail jt, perf. sub, seating nipple and 163 jts (5856.25') of 2-3/8", 4.7#, EUE tubing. Bottom of tubing at 5877' KB, seating nipple at 5856' KB. ND BOP and NU WH. Ready rig to run rods. RIH w/ 2"-1-1/4"x12' RHAC pump on 40 ea. 3/4" plain rods, 114 ea. 5/8" plain rods, 9x 3/4" plain rods & 80x 3/4" scraped rods. Install polish rod and stuffing box (new injector type). Load tubing and pressure test to 600 psi – held OK. Release pressure and long stroke pump with rig – pumped OK. Unable to install horse head – missing "throat bolt" that holds horse head in place. Roustabouts will have horse head ready in morning. Will space out pump and hang off rods in morning. SWI, secure location & SDON.

12/28/05 Found well with 405 psi on casing, 130 psi on tubing. Had roustabouts repair horse head and manifold in fuel gas line and flow lines to separator. Also had roustabouts re-align pumping unit. Re-space pump, change out top of rod string. Rod string is as follows: 2" x 1 1/4" x 12' RHAC pump on 40 x 3/4" plain rods, 114 x 5/8" plain rods, 9 x 3/4" plain rods, 78 x 3/4" scraped rods, 1 x 8' pony, 1 x 6' pony and 2 x 4' pony sub. Install polish rod and stuffing box (new injector type). Load tubing and pressure test to 600 psi – held OK. Release pressure and long stroke pump with rig, pumped OK. Install horse head and bridle. Start unit to check pump action but pumping unit is out of balance. RDMOL.