

Submit 3 Copies To Appropriate District Office
 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 and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO.
 30-039-05520

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 NA

7. Lease Name or Unit Agreement Name:

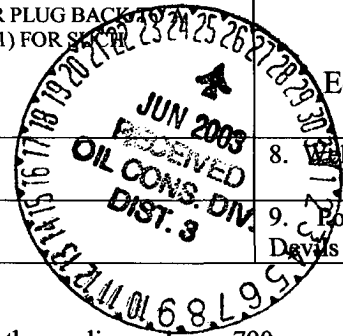
SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK A WELL IN A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 Merrion Oil & Gas

3. Address of Operator
 610 Reilly Ave, Farmington, NM 87401

4. Well Location
 Unit Letter M : 790 feet from the south line and 790 feet from the west line
 Section 7 Township 24N Range 6W NMPM Rio Arriba County



Edna

8. Well No. 1

9. Pool name or Wildcat
 Devils Fork Gallup

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 6898' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON

TEMPORARILY ABANDON CHANGE PLANS

PULL OR ALTER CASING MULTIPLE COMPLETION

OTHER:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING

COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT

CASING TEST AND CEMENT JOB

OTHER:

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Merrion Oil & Gas proposes to plug and abandon the subject wellbore according to the attached procedure.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE TITLE Production Engineer DATE 6/25/02

Type or print name Connie S. Dinning Telephone No. 327-9801

APPROVED BY TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUN 26 2003

Conditions of approval, if any:

PLUG AND ABANDONMENT PROCEDURE

June 4, 2003

Edna #1

Devil's Fork Gallup
790' FSL and 790' FWL, Section 7, T24N, R6W
Rio Arriba County, New Mexico

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type II, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. Install and test rig anchors. Prepare blow pit. Comply with all NMOCD, BLM and Merrion safety rules and regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. NU relief line and blow well down; kill with water as necessary. ND wellhead and NU BOP and stripping head; test BOP.
2. Attempt to work packer free. If unable to work packer free, then calculate stretch freepoint and RIH with tubing gauge ring to as deep as possible. Note, a standing valve was dropped in May 2003 and probable is in the tubing. Jet cut tubing at 5600' or as deep as possible. TOH with tubing and visually inspect. If necessary LD tubing and use a workstring.
3. **Plug #1 (Gallup perforations and tubing stub: 5600' – 5500')**: TIH with open ended tubing and tag tubing stub. Load the casing and circulate the well clean. Establish an injection rate into the perforations. Mix 25 sxs cement and spot a balanced plug to isolate the Gallup perforations and cover the cut tubing stub. TOH and WOC. Round trip a gauge ring to 4000'. Then TIH and tag cement. Pressure test casing to 500#. If casing does not test, then spot or tag subsequent plugs as appropriate. TOH with tubing.
4. **Plug #2 (Mesaverde top, 3969' - 3869')**: Perforate 3 HSC holes at 3969'. Set a 4-1/2" cement retainer at 3919'. Establish rate into squeeze holes. Mix and pump 51 sxs cement, squeeze 39 sxs outside the casing and leave 12 sxs inside the to cover the Cliffhouse top. If the casing leaks after plug #1, then increase the cement above to 20 sxs. PUH to 2502'.
5. **Plug #3 (Pictured Cliffs top, ~~2502'~~ - ~~2402'~~)**: Mix 12 sxs cement and spot a balanced plug inside the casing to cover the Pictured Cliffs top. If the casing leaks after plug #2, then increase the cement to 20 sxs. TOH with tubing.
6. **Plug #4 (Fruitland, Kirtland, and Ojo Alamo tops, 2338' – 1785')**: Perforate 3 HSC holes at 2338'. Set a 4-1/2" CR at 2288'. Establish an injection rate into the squeeze holes. Mix and pump 260 sxs cement, squeeze 214 sxs outside 4-1/2" casing and leave 46 sxs inside casing to cover the Fruitland, Kirtland and Ojo Alamo tops. If unable to pump into the squeeze holes, then perforate at 1988' and cement appropriately. TOH and LD tubing.
7. **Plug #5 (Surface casing, 286' – Surface)**: Perforate 3 squeeze holes at 286'. Establish circulation out the bradenhead valve with water. Mix and pump approximately 100 sxs cement down the 4-1/2" casing to circulate good cement out bradenhead valve. Shut well in and WOC.
8. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Chacra

3280 - 3180'

2680 2460

Nacimiento + 470 -

Edna #1 Current

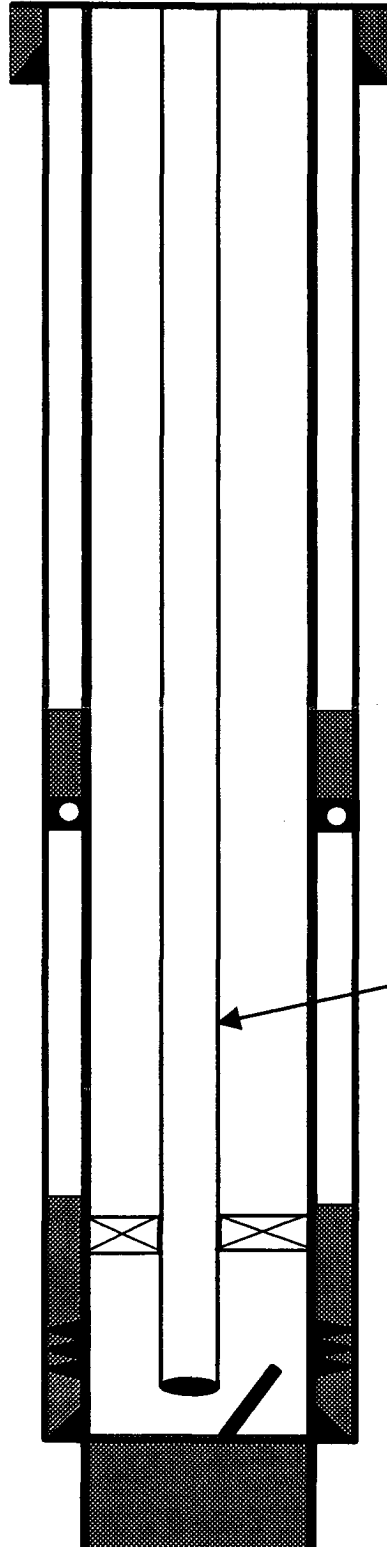
Devil's Fork Gallup

790' FSL & 790' FWL, Section 7, T-24-N, R-6-W

Rio Arriba County, NM

Today's Date: 5/30/03
Spud: 11/23/60
Completed: 12/21/60
Elevation: 6912'

12-1/4" hole



8-5/8" 24#, J-55 Casing set @ 236'
Cmt with 180 sxs (Circulated to Surface)

Well History:

Nov '63: Remedial Work: Re-perforated Gallup interval from 5878' to 5892'.

Jul '92: Clean out paraffin plug with coiled tubing unit.

May '03: Proposed Re-completion: Dropped standing valve in tubing. Attempt to work tubing, determined packer stuck in well. Pumped 5 bbls water to load casing annulus. Recorded 120# pressure on bradenhead. Pumped 3-4 bbls water into casing annulus and established circulation out bradenhead. NU wellhead, RD and MOL.

Ojo Alamo @ 1835'

Kirtland @ 1938'

Fruitland @ 2288'

Pictured Cliffs @ 2452'

Chacra @ 3230'

Mesaverde @ 3919'

Gallup @ 5660'

Dakota @ 6666'

TOC @ 2372'

DV Tool @ 2566'
Cmt with 50 sxs (59 cf)

2-3/8" Tubing set at 5911'
(183 joints with SN at 5900')

TOC @ 5207' (Calc. 75%)

Model "A" Packer set above Gallup probably in compression.

Gallup Perforations:
5744' - 5894' (1960)
5878' - 5892' (1963)

4-1/2" 9.5#/11.6#, J-55 Casing set @ 5964'
Cmt with 150 sxs (230 cf)

Piece of perf gun pushed to 5925' (1980)

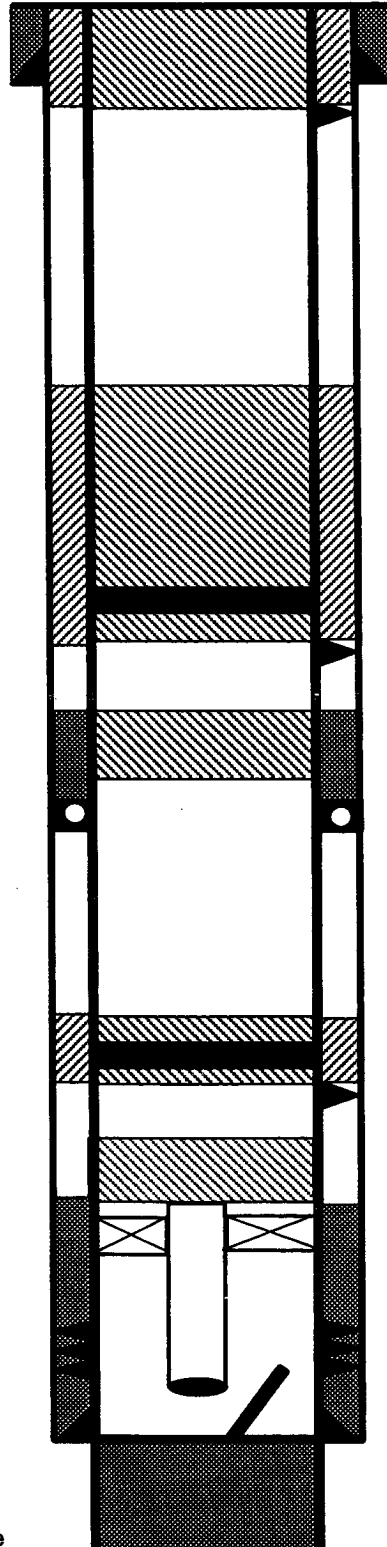
7-7/8" hole

TD 6927'
PBSD 5921'

Edna #1
Proposed P&A
Devil's Fork Gallup
790' FSL & 790' FWL, Section 7, T-24-N, R-6-W
Rio Arriba County, NM

Today's Date: 5/30/03
 Spud: 11/23/60
 Completed: 12/21/60
 Elevation: 6912'

12-1/4" hole



8-5/8" 24#, J-55 Casing set @ 236'
 Cmt with 180 sxs (Circulated to Surface)

Perforate @ 286'

Plug #5: 286' – Surface
 Cement with 100 sxs

Ojo Alamo @ 1835'

Plug #4: 2338' - 1785'
 Cement with 260 sxs,
 214 outside and 46 inside.

Kirtland @ 1938'

Cement Retainer @ 2288'

Fruitland @ 2288'

Perforate @ 2338'

Pictured Cliffs @ 2452'

TOC @ 2372'

Plug #3: 2502' - 2402'
 Cement with 12 sxs

DV Tool @ 2566'
 Cmt with 50 sxs (59 cf)

Mesaverde @ 3919'

Cement Ret @ 3919'

Plug #2: 3969' - 3869'
 Cement with 51 sxs,
 39 outside and 12 inside.

Perforate @ 3969'

Jet Cut tubing @ 5600'

Plug #1: 5600' – 5500'
 Cement with 25 sxs stub

TOC @ 5207' (Calc. 75%)

Model "A" Packer set above
 Gallup probably in compression.

Gallup @ 5660'

Gallup Perforations:
 5744' – 5894' (1960)
 5878' – 5892' (1963)

4-1/2" 9.5#/11.6#, J-55 Casing set @ 5964'
 Cmt with 150 sxs (230 cf)

Dakota @ 6666'

Piece of perf gun pushed to 5925' (1980)

7-7/8" hole

TD 6927'
 PBTD 5921'