

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

RCVD JAN19'07

OIL CONS. DIV.

DIST. 3

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.

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

2. Name of Operator MERRION OIL & GAS CORPORATION

3a. Address
610 REILLY AVENUE, FARMINGTON, NM 874013b. Phone No. (include area code)
505-324-53004. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1055' FNL & 1545' FWL (NENW)
SECTION 21, T26N, R11W5. Lease Serial No.
SF-078899A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
JAZZ COM No. 19. API Well No.
30-045-3211610. Field and Pool, or Exploratory Area
BASIN FRUITLAND11. County or Parish, State
SAN JUAN, NEW MEXICO

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

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other COMPLETION

REPORT

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.)

12/11/06 Remove wellhead and install 5K frac valve. Pressure test valve and casing to 3500 psi - held OK. Spot frac tanks and fill w/ 2% KCl water. Water is Bloomfield, NM city water. RU Basin Wireline Services. RIH with GR/Compensated Neutron/CCL log. Correlated w/ Blackrock Federal C-1, IND/SP open hole log ran 7/27/1960. Found Basel coal from 1406' - 1422'. RIH w/ 3-1/8" casing guns and perforate Fruitland Coal formation 3 spf, 1200 phasing from 1408' - 1420' (total of 36 holes, EHD: 0.43", PD ~ 37"). RD Basin Wireline. SWI, secure location.

12/13/06 RU Key Pressure Pumping Services and hold safety meeting. Pressure test pumps and lines to 4800#, load hole and break down formation with water. Spearhead 500 gals of 15 HCl acid, pumped 12,335 gals pad of 20# x-link "Aqua-Safe" gel. Frac well with 80,000# of 20/40 Brady sand in 20# x-link "Aqua-Safe" gel. Pumped sand in 0.25, 0.5, 0.75, 1, 2, 3 and 4 ppg stages at 31 BPM. ISIP: 1124 psi, 5 min: 745 psi, 10 min: 839 psi, 15 min: 804 psi. AIR: 31 BPM, MIR: 31 BPM, ATP: 1840 psi, MTP: 1945 psi. Job complete at 12:05 hrs 12/13/06. Total fluid pumped: 1240 bbls (job called for 1,197 bbls). Shut well in and rig down KPPS. Note: Extended 0.25 ppg stage due to high treating pressures. Nolte plot was positive from the 0.5 ppg sand stage through the 2.0 ppg stage, then slowly went negative throughout remaining sand stages.

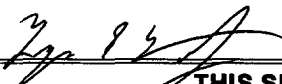
*** CONTINUED OTHER SIDE ***

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

STEVEN S. DUNN

Title DRLG & PRODUCTION MANAGER

Signature



FOR STEVEN DUNN

Date

01/03/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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)

NMOC

ACCEPTED FOR RECORD

JAN 11 2007

FARMINGTON FIELD OFFICE
BY TL SAVCS

- 12/22/06 Road rig to location from Bloomfield. Found well w/ 120 psi. Bleed off pressure and remove frac valve. Noticed that 4-1/2" casing was turning (backing off) while removing frac valve. Finish removing frac valve. Install tubing head and SWI for Christmas Holiday.
- 12/27/06 Found well with 125 psi. Bleed off pressure and remove well head. PU 2-3/8" tubing sub with 4-1/2" swage. Install on to top joint of 4-1/2" casing. Rotate (tighten) casing ~ 2 full turns. PU on casing and remove slips. Re-set slips while pulling 15K tension on casing string. Install casing head and tubing head. Finish rigging up rig floor, tongs etc. PU and tally 2-3/8" tubing and TIH. Tag up on frac sand/fill at 1440'. RU flow line from wellhead to flow back tank. RU JC Well Service air package, break circulation with air/mist and clean out frac sand to PBTD at 1561'. Pump 2 soap sweeps and blow well clean. Pull up to 1251' and SWI. Secure location & SDON.
- 12/28/06 Found well with 60 psi. Bleed off pressure. TIH to PBTD (1561' KB) – no fill. TOH, TIH with production string as follows: Cut off tail jt (w/ hole in upset), seating nipple and 46 jts (1464.56)' of 2-3/8", 4.7#, EUE tubing. Bottom of tubing landed at 1470' KB, seating nipple at 1453' KB (see tubing tally). Land tubing in well head w/ donut. Remove stripping head and NU well head manifold. RUTS. Found fluid level at ~ 1000'. Made 6 runs and recovered ~8 bbls of fluid. RD swab equipment. RIH with 2" x 1-1/4" x 12' RHAC pump on 56 ea. 3/4" plain rods, 1 ea. 8' and 1 ea. 6' pony sub. Install polish rod and stuffing box. NU horse head and bridle, space out pump and hang off rods. Load tubing with water and pressure up on tubing to 500 psi – held OK. Unable to keep pumping unit running but pump action appeared to be OK. Will rig down & MOL in morning. T. Merilatt called for mechanic to check pumping unit. SWI, secure location & SDON. **Final Report.**