

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-34371
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. RCVD DEC 4 '07
7. Lease Name or Unit Agreement Name OIL CONS. DIV. FARMINGTON C COM
8. Well Number 1E DIST. 3
9. OGRID Number 014634
10. Pool name or Wildcat BASIN DAKOTA

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO 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 CORPORATION

3. Address of Operator
610 REILLY AVENUE, FARMINGTON, NM 87401

4. Well Location
Unit Letter E : 1610 feet from the South line and 1400 feet from the West line
Section 15 Township 29N Range 13W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5286' GL/ 5298' KB

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. 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 COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: COMPLETION ☒

13. 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 recompletion.

11/5/07 MIRU Hurricane Well Service Rig #6 on 11/5/07 and related surface equipment (pump/pit). ND WH & NU BOP. PU 3-7/8" bit, 4-1/2" casing scraper, bit sub and TIH on 2-3/8" tubing (PU and tally off trailer). Tag up at 3961'. PU power swivel and break circulation w/ 2% KCl. Drill out cement tool down to DV tool at 4025'. Continue drilling and drill out DV tool in ~1.5 hrs. Lay down power swivel and continue TIH. Tag up at 6832'. Running out of daylight. Pull up to 6705'. Secure location, SWI and turn over to night watch.

11/6/07 TIH to 6232', PU power swivel and break circulation w/ 2% KCl. Clean out/drill out cement down to PBTD at 6334' KB (MD). Circulate hole clean w/ 2% KCl. TOH. Change out BOPs (new set was leaking). RU Pace Pumping Services and pressure test casing to 3000 psi - held OK. RU Weatherford Wireline Service and hold safety meeting. RIH w/ GR/CCL log from PBTD to 4000'. Depth correlate to open hole logs ran 9/30/07. RIH w/ 3-1/8" casing gun and perforate the Burro Canyon 3 SPF at the following depths: 6250' - 6264'. Total of 42 holes, (EHD: 0.39"). RD Weatherford. TIH with 4-1/2" Weatherford "HD" packer to 5258'. Out of daylight. SWI, secure location and turn over to night watch.

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I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Tyson S. Foutz TITLE Petroleum Eng. DATE 11/30/07
Type or print name Tyson S. Foutz E-mail address: tfoutz@merrion.be Telephone No. 505.324.524
For State Use Only
APPROVED BY: H. Villanueva TITLE Deputy Oil & Gas Inspector, District #3 DATE DEC 14 2007
Conditions of Approval (if any):

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11/7/07 TIH to 6258'KB. RU Pace Pumping Services and spot 250 gals of 15% HCl acid with iron control and inhibitor additives, balanced acid with 21.5 bbls of 2% KCl water. Pull up hole and set packer at 5860'KB. Begin pumping acid away, had a pressure break at 2600psi, ¼ BPM to 2200psi 1/3 BPM. Increased rate to 3.5 BPM and pressure steadied at 3200psi. Pumped 12 bbls of 2%KCl water. ISIP=2400psi, 5 min= 1400psi, 10 min= 1000psi, 15 min= 825psi. RU tubing on 3/8" choke and opened to rig pit. Pressure bled off to 0 psi in less than 5 min., still flowing small stream of water. Rig up swab tools. Made 19 swab runs and recovered ~80 bbls of fluid. Swabbed from the seating nipple on the 11th run and calculated water production to be approx. 7bbls/hr after we recovered load from acid job. Ran out of daylight. SWI, secure location and turn over to night watch. (RM)

11/8/07 Tubing pressure at 250 psi upon arrival. Bled off tubing and RIH with swab tools. Tagged fluid level at 100' (last tag was at 5400' previous day). Made 2 runs and recovered 13 bbls of fluid. Last tag was at 1400' and pulled from 2900'. Shut down to pump fluids from rig pit to flow back tank. RIH with swab tools after 1 hr and tagged fluid level at 650'. Recovered 29 bbls of fluid in 8 runs (42 bbls total today). Last fluid tag was at 5495' and recovered no fluid. Hesitate 1hr and RIH with swab tools, tagged fluid level at 3630'. Calculated a 7.2 bbl/hr water inflow. Released packer, TOOH, Rigged up Weatherford Wireline and TIH with CIBP, tried to set plug with no success. TOOH with CIBP and check tools had a "leak" on wireline head. R&R wireline head and RIH with CIBP, set plug at 6242'KB. Rigged down Weatherford, SWI, secure location and turn over to night watch.

11/9/07 ND BOP & WH. Install 4-1/2", 5K frac valve (WSI). RU Key Pressure Pumping Services and hold safety meeting. Pressure test casing to 4000 psi – held OK. RU Weatherford Wireline and RIH with 3-1/8" casing guns and perforate the Dakota formation at the following depths: 6110'-6136' (2 spf) and 6136'-6156' (3 spf) (total of 70 ea. Holes - EHD: 0.39"). Ball off Dakota formation with 125 each 1.3 SG RC ball sealers and 1000 gals of 15% HCl acid, formation broke at 2250 psi while pumping 6.0 BPM. Good ball action and complete to 3500 psi. Surge balls off formation and displace remaining acid into formation, RIH with junk basket and recovered 114 balls. RU KPPS and pressure test pumps and lines to 5200 psi. Pumped 25,340 gals pad of 20# x-link gel. Frac well with 180,000# of 20/40 Super LC (resin coated) sand in 20# x-link gel. Pumped sand in 1, 2, 3 & 4 ppg stages at 30 BPM. AIR: 30 BPM, MIR: 30 BPM, ATP: 2646 psi, MTP: 3520 psi. Job complete at 17:10 hrs 11/9/07, total fluid pumped: 2477 bbls. ISDP: 3220 psi, 5 mins: 1416 psi, 10 mins: 1254 psi, 15 mins: 1218 psi. Nolte plot was positive throughout job and indicated a "tip screen out" on the flush. Shut well in with 1170 psi and RD KPPS. RU flow back lines and open well thru 1/4" choke at 19:30 hrs 11/9/07. Initial pressure was 650 psi. Turn over to night watch. Well flowed back throughout the night. Recovered 220 bbls of fluid overnight. At 06:00 hrs pressure was down to 50 psi, still flowing back broken gel at ~5 to 7 BWPH. Will continue to let well flow back over weekend.

11/11/07 Well made 255 bbls of fluid since starting flow back. SWI over weekend after pressure fell to 25 psi, found well 50 psi Monday morning. Open to flow back tank and immediately bleed down to 0 psi, TIH with 2-3/8" tubing with seating nipple on bottom, after TIH with 45 stands, well started flowing out tubing. Install TIW valve and open to flow back tank. Flowing pressure quickly increased to 150 psi and 175 psi on casing. Well unloading hard, started making oil. SWI. After 1 hr, SICP: 850 psi, SITP: 900 psi. Open tubing to flow back tank and let pressure bleed down to 150 psi. Pump 120 bbls of water down tubing, unable to kill well. SWI. Call for slickline. RU Tefteller and RIH with tubing plug and set plug in seating nipple, set 3 stop slip above plug. Bleed off tubing pressure. Continue TIH. Tag up on sand/fill at 6142'. Running out of daylight, pull up to 5994'. SWI, secure location and turn over to nightwatch.

11/13/07 Found well with SICP: 1350 psi. Equalize tubing and casing. Load tubing with ~ 20 bbls of water. RU Tefteller and retrieve 3 stop slip and tubing plug. RD slickline unit. Open casing to flow back tank. Pump 180 bbls of 2% KCl water down tubing to kill well. TOH with tubing. RU Weatherford wireline and RIH with CIBP, set CIBP at 6080'. Bleed off pressure to flow back tank. ND BOP and WH. Install 5K frac valve. Pressure tested casing and valve to 4000 psi. RIH with 3-1/8" casing gun and perforated the Graneros formation 2 SPF at the following depths: 5990'-6010' & 6024'- 6038' (Total of 68 - EHD: 0.43" holes). RU Key Pressure pumping services and hold safety meeting. Pressure test pumps and lines, would not test. Isolate leak on truck. Out of daylight. Send truck to yard for repairs. RD Weatherford. SWI, secure location & SDON. Will ball off in morning.

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11/14/07 Found well with SICP: 0 psi. RU Key Pressure Pumping Services and hold safety meeting. Load and break Graneros formation with 2% KCl water while pumping 2.5 BPM. Pump 1,000 gal of 15% HCL acid and 100 ea. 1.3 SG RC ball sealers. Increase rate to 7.0 BPM, 1782 psi. Good ball action and complete to 3500 psi. Surge balls off perfs and displace remaining acid into formation. Bleed off pressure to rig pit. RU Weatherford Wireline and RIH with junk basket. POOH with junk basket – did not recover any balls. RIH and make another attempt to retrieve balls. Work junk basket thru perforated interval several times before continuing to CIBP at 6080. POOH with junk basket – still did not recover any balls. RD Weatherford and KPPS. Finish filling tanks with 2% KCl and heat to 90°. Turn over to night watch. Frac scheduled for 09:00 hrs. 11/ 15/07.

11/15/07 Found well with SICP: 150 psi. RU Key Pressure Pumping Services and hold safety meeting. Pressure test pumps and lines to 5200 psi. Pumped 22,170 gals pad of 20# x-link gel. Frac well with 160,000# of 20/40 Super LC (resin coated) sand in 20# x-link gel. Pumped sand in 1, 2, 3 & 4 ppg stages at 30 BPM. AIR: 30.5 BPM, MIR: 31.5 BPM, ATP: 2501 psi, MTP: 3700 psi. Job complete at 11:45 hrs 11/15/07. Total fluid pumped: 2030 bbls. ISDP: 2728 psi, 5 min: 2040 psi, 10 min: 1580 psi, 15 min: 1450 psi. Nolte plot was positive throughout job with several “breaks”. Final frac gradient: 0.8 psi/ft. Shut well in with 1430 psi and RD KPPS. RU flow back lines and open well thru 1/4” choke at 13:45 hrs 11/15/07. Initial pressure was 950 psi, well flowing back broken gel. At 17:00 hrs pressure was down to 220 psi. Secure location and turn over to night watch. Well continued to flow back broken gel. At 06:00 hrs (11/16/07) pressure was down to 25 psi. Recovered 340 bbls since starting flow back. Load to recover: 2,030 bbl., fluid to be recovered: 1690 bbls.

11/16/07 Open well thru 2” and let remaining pressure bleed off (60 psi). Still slugging out water. TIH w/ 3-7/8” bit on 2-3/8” tubing. After TIH with 3 stands, well started flowing out tubing. Install string float and continue TIH. Tag up on sand/fill at 5975’. PU power swivel and break circulation w/ 2% KCL water. Clean out frac sand down to CIBP at 6080’. Start drilling on CIBP but not able to get any torque. Work bit/tubing but still never able to get any torque on CIBP, acts like bit is just spinning on CIBP. Lay down power swivel and TOH. Found bit completely balled up w/ RC ball sealers. Secure location, SWI and SD for weekend. Plan to RIH with blade bit on Monday morning.

11/19/07 Found well w/ SICP: 400 psi. Bleed off pressure to flowback tank, well flowing heavy water. Pump 40 bbls of water and attempt to TIH but well flowing too hard. SWI. Pump 240 bbls of water and “top kill” well. TIH w/ blade bit down to CIBP at 6080’. Made ~ 1 ft and circulated out pieces of RC ball sealers and some metal (appears to be cast iron). Continue rotating but not making any progress. TOH, bit looked OK. TIH w/ new 3-7/8” cone bit on 80 stds of 2-3/8” tubing. SWI, secure location & SDON.

11/20/07 Found well with SICP: 0 psi. TIH to CIBP at 6080’. PU power swivel and break circulation with 2% KCl water. Continue drilling on CIBP. After ~45 mins, drilled thru plug. Chased plug down to 6242’. Circulate hole clean (had to circulate for ~2 hrs before sand returns diminished). Lay down power swivel and TOH. Lay down bit and bit sub. TIH w/ production string as follows: 184 jts (6114.38’) of 2-3/8”, 4.7#, J-55, EUE with seating nipple on bottom, bottom of string landed at 6128’ KB. Land tubing in well head with donut. ND BOP and NU WH. RUTS. Made 5 swab runs before well kicked off. Recovered ~30 bbls of fluid before well started flowing. Let well flow (making heavy water) for 1.0 hrs before SI. Will flow well in morning before RD and MOL. SWI, secure location & SDON.

11/21/07 Found well w/ SICP: 1050 psi, SITP: 1,100 psi. Open well to flow back tank. Flowing heavy water and oil. Let well flow for ~ 1 hr. Made ~ 30 bbls of fluid. Flowing gas, oil and water. SWI. RDMOL. WO Hookup. **Final Report.**
Note: Had roustabouts clean location around well head.