

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well Oil <input type="checkbox"/> Gas <input type="checkbox"/> <input checked="" type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-24964
2. Name of Operator Merrion Oil & Gas Corporation	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 610 Reilly Avenue, Farmington, NM 87401-2634 (505) 327-9801	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' fml & 1980' fel (nw ne) Section 10, T20N, R06W	8. Well Name and No. POT MESA No. 1
	9. API Well No. 30-031-20882
	10. Field and Pool, or Exploratory Area POT MESA MESAVERDE
	11. County or Parish, State McKinley County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input checked="" type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Completion or Recompletion Report and Log form.)

13. Describe Proposed or completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1/21/02 MIRU Professional Well Service Rig #2 ON 1/21/02. Spot pump and pit. ND horsehead and bridle. Lay down polish rod and stuffing box. TOH with 3/4" rods and pump. ND WH & NU BOP. TOH with 86 joints of 2-3/8" tubing, seating nipple, perf sub and mud anchor. Shut well in. Secure location and SDON.

1/22/02 RIH with 4-1/2" casing scraper to 2200'. TOH. PU, TIH with Weatherford CIBP and set at 2150' KB. Pull to 1910', ready to spot acid. Shut well in, secure location. SDON. Will spot acid, perf and ball off in morning.

1/23/02 Found well with 80# on casing. Load hole with 2% KCl water. Pressure test casing, did not hold. Cancelled acid and perforating job. Called for packer and cement crew. TOH with tubing. LD setting tool. PU packer and TIH. Isolate hole (holes) from 374' to 711'. Held OK from 711' to CIPB at 2150'. TOH and lay down packer. RU American Energy Services and "bull head" 100 sxs (118 cu.ft) of Class "B" cement with 2% CaCl₂ down 4-1/2" casing. SD wash pumps and lines and "hesitate squeeze" cement with 4.75 bbls of water. Max. squeeze pressure was 1000#. Shut well in with 1000#. RD American Energy. SDON.

*** Continued other side ***

14. I hereby certify that the foregoing is true and correct

Signed

Steven S. Dunn

Title Drig & Prod Manager

Date 2/11/02

(This space for Federal or State office use)

Approved By

Title

Date

Conditions of approval, if any:

NOTED FOR RECOR

FEB 22 2002

Title 18 U.S.C. Section 1001, makes 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.

NMOCD

OFF!

1/24/02 Found well with BOP and casing valves totally frozen. Thawed out BOP and valves. PU 3-7/8" bit, 3 each 3 3/8" drill collars and TIH on 2-3/8" tubing. Tag up on cement at 325'. PU power swivel and break circulation. Drill out cement from 325' to 613', circulate hole clean. Shut rams and pressure test to 500# - held OK. Drain pumps and lines. SWI, secure location & SDON.

1/25/02 TOH lay down DC's. TIH with tubing (with seating nipple on bottom). Tag cement at 660'. TOH, PU 3 3/8" bit and TIH on 2 1/2" tubing. PU power swivel and break circulation. Drill out cement to 715', circulate hole clean and lay down power swivel. TIH to 895'. RUTS. Well swabbed down in 8 runs, SD for 30 min, no fluid inflow. SD for 15 min, no fluid inflow. RD swab equipment. TIH to 1918'. RU American Energy Services. Spot 15% HCl acid from 1918'-1752'. TOH, RU Blue Jet and run GR/CCL log. RIH with 3 1/2" casing gun perforate LaVentana Mesaverde at the following depths: 1826'-28", 1830'-34", 1844'-46", 1882'-86", 1902'-04", 1907'-10" (Total of 17 holes - 2 spf - EHD: 0.34"). RD and release Blue Jet. RIH with packer, set at 902'. RU AES and breakdown perfs with 500 gal of 15% HCl and 31 each 3.1 SG ball sealers. Saw break at 1600#. Good ball action, complete ball off to 2500#. Knocked balls off perfs with packer, TIH to 1925'. RUTS. Made 2 runs, swab getting stuck at 1000'. Ran out of daylight. Shut well in, secure location, SDON.

1/26/02 RIH with paraffin knife, made it to seating nipple on 3rd attempt. RU swab, continue swabbing, swabbed well down in 15 runs. Shut down and made swab runs every hour for 3 hrs to determine inflow. Fluid level was 100' above seating nipple on 1st run, 40' on second run and 35' on 3rd run. Estimate inflow to be 10 to 15 BWPD. Recovered approx. 30 bbls of fluid for the day. Shut well in. Secure location, SDON. Ordered water for frac tanks. (WE)

1/27-28/02 WO water tanks.

1/29/02 Found well with 15#, bleed off pressure. TOH with tubing and packer, change out rams. PU Tension packer, RIH on 2-7/8", NU tubing. Set packer at 865' KB. Load DC's and 13 joints of bad 2-3/8" tubing and send to town. RU American Energy Services. While RU frac lines and equipment found electrical problems with blender. After 2 hrs of attempting to repair on location decided that blender would have to be sent to town for major repairs. No back up available. Left remaining trucks and lines rigged up. Will attempt to frac well on 1/31/02 (if blender is repaired). Shut well in secure location. SD until frac job.

1/31/02 RU American Energy Services. Held safety meeting. Pressure test pumps and lines. Pumped 8190 gal 20# x-link gel pad. Frac well with 40,000# of 20/40 Brady sand in 20# x-link gel. Pumped sand in 1,2 and 3 ppg stages. AIR: 27 BPM, MIR: 27 BPM, ATP: 2415#, MTP: 2850#. Job complete @ 11:30 hrs 1/31/02. ISIP: 910#, 5 min: 630#, 10 min: 485#, 15 min: 370#. Total fluid pumped: 641 bbls. Shut well in and RD AES. Open well to pit thru 1/2" choke at 12:45 hrs 1/31/02. Well blew down immediately. RD flow back lines. Release packer and lay down 2-7/8" NU tubing and packer. Shut well in, secure location and SDON. Will start clean out in morning. Note: monitored backside (tbg/csg annulus) throughout frac job never saw any pressure.

ATTACHMENT TO FORM 3160-5

2/01/02 Found well with 200#, blew well down. TIH with bailer on 2-3/8" tubing. Tag sand at 1850' KB, clean out approx. 30' before bailer quit working. TOH, clean out bailer and tubing. TIH, clean out another 60' before bailer quit. TOH, change out bailer. TIH unable to get bailer to work, TOH and lay down bailer. TIH opened and break circulation with produced water. Clean out frac sand/fill to approx. 2100'. Pull up above top perf. Shut well in. Secure location and SDON.

2/02/02 Found well with 120# on casing and 10# on tubing. Bleed down pressure and TIH. Tag sand at 2100', no fill overnight. Break circulation and finish cleaning out to CIBP at 2150'. TOH. TIH with 15' tail joint, seating nipple and 60 joints of 2-3/8" tubing. Bottom of tubing landed at 1944' KB. ND BOP and NU WH. Ready rig to run rods. RIH with 2" x 1 1/4" x 12' RHAC pump on 76 each 3/4" patco rods and 1 each 6' pony rod. Install polish rod and stuffing box. SWI, secure location and shut down until Monday.

2/03/02 Shut down for weekend. (WE)

2/04/02 Checked pump action with rig - everything looked OK. Spaced out pump and hang off rods. Unable to start pumping unit (needs additional parts). Clean out pit. RDMOL. Removed pumping unit weights to balance unit. Worked on pumping unit engine.

2/05/02 Casing 110 psi. Lines on location frozen, flowline to tank battery plugged with paraffin and ice. Repaired clutch on pumping unit. Started unit pumped water to pit 15 mins. Shut well in. SDON.

2/06/02 Hot oil truck started pumping down flowline and truck broke down. SDON.

2/07/02 WO hot oil truck. (SSD)