Distribution:

Orig+4 (BLM); 1-Crystal; 1-Accounting; 1-Well File

Form 3160-5 (June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993

5. Lease Designation and Serial No.

NM-28737 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name 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 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well X Oil Well 8. Weil Name and No. 2. Name of Operator Annie No. 3 Merrion Oil & Gas Corporation 9. API Well No. 3. Address and Telephone No. 30-039-23170 610 Reilly Avenue, Farmington, NM 87401-2634 (505) 327-9801 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Counselors Gallup-Dakota 11. County or Parish, State 2160' fnl & 1940' fel (SWNE) Rio Arriba County, Section 10, T23N, R06W New Mexico 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandooment Change of Plans Recompletion New Construction X Subsequent Report Plugging Back Non-Routine Fracturing Casing Renau Water Shut-Off Final Abandonment Altering Casing Conversion to Injection Dispose Water HELIOR OF RECOMPHISION 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.) December 6, 1994 to December 23, 1994 MIRU. Unset pump. Hot water rods with 35 bbls. Press tested tbg to 2000 psi - held OK. TOH with rods and pump. Pump another 35 bbls hot water. ND WH. NU BOP. TOH with 52 stands. Finish POH with 2-3/8" EUE tbg.

MIRU. Unset pump. Hot water rods with 35 bbls. Press tested tbg to 2000 psi - held OK. TOH with rods and pump. Pump another 35 bbls hot water. ND WH. NU BOP. TOH with 52 stands. Finish POH with 2-3/8" EUE tbg. RT scraper on 2-3/8". PU RBP and RCP. TIH with RBP and packer, set BP @ 5350'. Roll hole with 1% KCl. Isolate holes in casing with packer, found bad casing from 1924'-2120'. While pressure testing casing above 1924', popped hole in casing above 1924' at 1700 psi. Isolate upper hole at 525' to 540', established circulation out bradenhead at 250 psi. Shut well in. TOH with packer. RIH with 15 joints, packer and 47 jts to 2121'. RU Cementers Inc., spot 30 sxs 'B' cement across bad pipe. Pull out of cement, set packer, squeeze away approx. 3 bbls into bad section to 750 psi. Release packer. TOH. TIH with 16 jts, establish circulation out of bradenhead, mix and pump 105 sxs 'B' neat cement. Lost circulation to surface last 4 bbls pumped, POH. Press up to 500 psi. TIH with 3-7/8" bit, tag cement at 480'. Drilled out cement to 595'. Circulate clean. TIH to 1890'. Drilled approx. 110' cement. Circulated clean. Pulled off bottom. Drilled out approx. 140' cement to 2140'. Circulated clean. RUTS, swab test for fluid entry, no fluid. TOH, PU retrieving head & packer. TIH with 82 stands. Finish TIH with RBP & packer (setting tool), had fill over BP at 10'. Circulate down to plug and release. TIH, set BP @ 5650'. Pull packer to 5350' and set. RUTS. Shut well in.

***:	*CONTINUED OTHER SIDE ***	k
4. I hereby certify that the folegoids is true and correct Signed 1. Steven S. Dunn	Title Operations Manager	ACCEPTED FOR DECORD
(This space for Federal or State office use) Approved by Conditions of approval, if any:	Title	MAY 0 3 1996

SIP 0/0. Work swab to bottom. Bad paraffin, 4 hrs to CU tubing. Swabbed 75 bbls black, mud-cut water. Stablized inflow end of day 500'-800' gas-cut water with skim oil, mud. 9.3 BPH inflow rate. Check well, 400 psi. Blow well down. Made 25 swab runs, 1st swab run 75' of oil on top, FL @ 3800'. Continue swabbing, fluid level dropped to 4800' (5-10% oil), recovered 27 bbls fluid. RD swab, rel packer. TIH, latch onto BP. Release BP. TOH, did not have BP. Shut well in. TIH with retrieving head, latch onto BP. TOH. TIH with production string. Land tubing, ND BOP, NU WH. Ran rods and pump. RDMOL on 12/23/94. Put well back to production.