Distribution: O+4 (BLM); 1-Accounting; 1-Crystal; 1-File Form 3160-5 **UNITED STATES** FORM APPROVED (June 1990) DEPARTMENT OF THE INTERIOR Budget Bureau No. 1004-0135 **BUREAU OF LAND MANAGEMENT** Expires: March 31, 1993 Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NM-28737 Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. If Indian, Allottee or Tribe Name Use "APPLICATION FOR PERMIT--" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE Type of Well Gas X Well Well Other Well Name and No. Name of Operator Annie No. 3 Merrion Oil & Gas Corporation (14634)API Well No. Address and Telephone No. 30-039-23170 610 Reilly Avenue, Farmington, NM 87401-2634 (505) 327-9801 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) Counselors Gallup-Dakota 2160' fnl & 1940' fel (swne) 11. County or Parish, State G Section 10, T23N, R6W Rio Arriba County, 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 Abandonment Change of Plans Recompletion New Construction Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Dispose Water (Note: Report results of multiple completion on Completion or Recompletion Report and Log form.) 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.)* 8/18/97 to 8/23/97 MIRU Big 'A' Rig No. 16 on 8/18/97. Could not unseat pump. Hot oil casing with 40 bbls oil, still would not come free. Strip out of hole with rods & tbg. Pump stuck in mud anchor. TIH with tbg. Hot water tbg with 40 bbls of 2% KCl water and surfactant. TOH w/tbg. TIH w/hydro-static bailer, tagged tight spot @ 5715' KB. Pulled 50,000# to get out, could not work through tight spot. TOH w/bailer, had 18 stands fluid in tbg, 13 stands heavy drlg mud, 4 stands water. PU 4-1/2" csg scraper & RIH to PBTD @ 5721'. TOH w/csg scraper. PU RBP & packer, RIH to 5344' (above Gallup perfs) and set BP. Pull up to 5281' & set pkr. Press tstd BP to 1000# - held OK. Rel pkr & pull up to 4531'. Set pkr & press test (dwn tbg) to 1000# held OK. Rel pkr & pull up 3600'. Set pkr & press test (dwn tbg) to 1000# - held OK. rel pkr & pull up to 2159'. Set pkr & press test (dwn tbg) to 1000# - held OK. Press up backside to 500#, lost 100#/min. Rel pkr & pull up to 1899'. Set pkr & press up backside to 500#, lost 100#/min (tbg/csg has communication). Rel pkr & pull up to 1867'. Set pkr & press up backside to 500#, lost 100#/min. Press up tbg & lost 100#?min & had communication w/csg. Opened unloader valve on pkr & press tstd entire csg to 500#-held OK. Rel pkr. TOH & LD pkr. RIH w/retrieving head to 5274'. RUTS. Made swab runs, FL @ 4700'. TIH to BP. Unseat BP & TOH. LD BP & retrieving head. RIH w/mud anchor, perfd sub, SN & 176 jts of 2-3/8" tbg. Land bottom of tbg string @ 5705' KB. RUTS. IFL 3900'. Made swab runs, FL dwn to 5300', made more swab runs, FL back up to 4900'. Rec approx. 20 bbls of fluid (oil/wtr, no drlg mud). Swab well IFL @ 3900'. KB. *** CONTINUED OTHER SIDE *** I hereby certify that the foregoing is true and correct Steven S. Dunn Title Drlg & Prod Manager (This space for Federal or State office use) Approved By Title Conditions of approval, if any: 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 in 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States in 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States in 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States in 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States in 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States in 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States in 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States in 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States in 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States in 1001 makes it a crime for any person knowingly and will be used to any department or agency of the United States in 1001 makes in 1001 make

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Swab well IFL @ 3900' KB. Swabbed 5 bbls oil and water. Ending FL @ 4800' KB. TIH with 2" x 1-1/4" x 6' x 9' x 11' RHAC and 12 new 5/8" rods. Replaced 40 - 3/4" boxes. Loaded tubing, good pump action.