

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. SF-078877
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) 790' fsl & 1850' fel 0 Section 9, T24N, R6W	8. Well Name and No. Canyon Largo Unit #126
	9. API Well No. 30-039-05537
	10. Field and Pool, or Exploratory Area Devils Fork Gallup
	11. County or Parish, State 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
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input checked="" 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.)*

The subject well is scheduled for P&A by October 1, 1997. Merrion Oil & Gas is in the process of evaluating the field for waterflood potential. Prior to any plugging operations, we propose to conduct an injectivity test on the Gallup as follows:

- 1) Load the wellbore with Gallup produced water.
- 2) RU pump truck w/ chart recorder to measure pressure and rate.
- 3) Pump into Gallup at rates corresponding to 600 psi, 900 psi, 1200 psi and 1500 psi.
- 4) Stabilize pressure at each step before increasing rate.
- 5) If well doesn't catch pressure, pump at maximum rate possible for 1 hour.

After completing the injectivity test, we propose to set a CIBP at the top of the Gallup at 5408' KB, then pressure test the casing. If the casing holds pressure, we would circulate packer fluid to prevent corrosion and temporarily abandon the wellbore. If the pressure does not hold, we would pump an 11 sx (13 cf) cement plug above the CIBP and continue with the plugging procedure as approved.

THIS APPROVAL EXPIRES **OCT 01 1997**

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

Signed <u>CS</u> (This space for Federal or State office use)	Connie S. Dinning	Title <u>Contract Engineer</u>	Date <u>8/28/97</u>
Approved By <u>RS/ Duane W. Spencer</u>		Title	Date <u>SEP - 4 1997</u>

Conditions of approval, if any: