

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 checked="" type="checkbox"/> Well Gas <input type="checkbox"/> Well <input type="checkbox"/> Other <input type="checkbox"/> | 5. Lease Designation and Serial No. NM-47168 |
| 2. Name of Operator Merrion Oil & Gas Corporation (14634) | 6. If Indian, Allottee or Tribe Name |
| 3. Address and Telephone No. 610 Reilly Avenue, Farmington, NM 87401-2634 | 7. If Unit or CA, Agreement Designation |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 790' fsl & 790' fwl (sw sw) Section 5, T25N, R8W | 8. Well Name and No. Custer Federal #1 |
| | 9. API Well No. 30-045-25974 |
| | 10. Field and Pool, or Exploratory Area Dufers Pt Gallup/DK |
| | 11. County or Parish, State San Juan County, New Mexico |

| 12. CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | |
|---|--|---|
| TYPE OF SUBMISSION | TYPE OF ACTION | |
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment | <input checked="" type="checkbox"/> Change of Plans |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Other | <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.)*

Shut-in
Merrion Oil & Gas proposes to ~~Temporarily Abandon~~ the Gallup and Dakota in this wellbore. There may be potential Fruitland Coal production uphole. It is not economically feasible for Merrion to complete the coal at this time, thus we propose the ~~TA~~ status to preserve the wellbore for future production. A detailed procedure is attached.
SZ

THIS APPROVAL EXPIRES **MAY 01 1999**

| | | |
|---|--------------------------------|-------------------------|
| 14. I hereby certify that the foregoing is true and correct | | |
| Signed <u>Connie S. Dinning</u> | Title <u>Contract Engineer</u> | Date <u>10/15/98</u> |
| (This space for Federal or State office use) | | |
| Approved By <u>/s/ Duane W. Spencer</u> | Title | Date <u>OCT 22 1998</u> |
| Conditions of approval, if any: | | |

Merrion Oil & Gas Corporation

Plug & Abandon Procedure

October 15, 1998

| | | | |
|------------------|-----------------------------|-------------------|-------------------------|
| Well: | Custer Federal No. 1 | Field: | Dufers Pt Gallup/Dakota |
| Location: | 790' fsl & 790' fwl (sw sw) | Elevation: | 6401' GR |
| | Sec. 5, T25N, R8W, NMPM | | 6414' KB |
| | San Juan County, New Mexico | By: | Connie Dinning |

Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.33 ppg, sufficient to balance all exposed formation pressures.

1. Comply to all NMOCD, BLM and Merrion safety regulations.
2. Load casing w/ water. POH w/ tubing and RIH w/ CIBP, set @ 6300' KB.
3. Plug #1 (Graneros perforations and top @ 6328'): Mix 11 sx (13 cu. ft) Class B cement and spot 100' plug on top of CIBP. POH.
4. Plug #2 (Gallup perforations and top @ 5480'): RIH w/ second CIBP and set @ 5470' KB. Mix 11 sx (13 cu. ft) Class B cement and spot 100' plug on top of CIBP. POH.
5. Plug #3 (Upper Mancos perforations and top @ 4566'): RIH w/ third CIBP and set @ 4566' KB.
6. Circulate packer fluid and pressure test to 500 psi for 15 minutes. Notify BLM to witness pressure test and record on chart.
7. RDMOL.

Merrion Oil & Gas Corporation Wellbore Schematic

Custer Federal #1

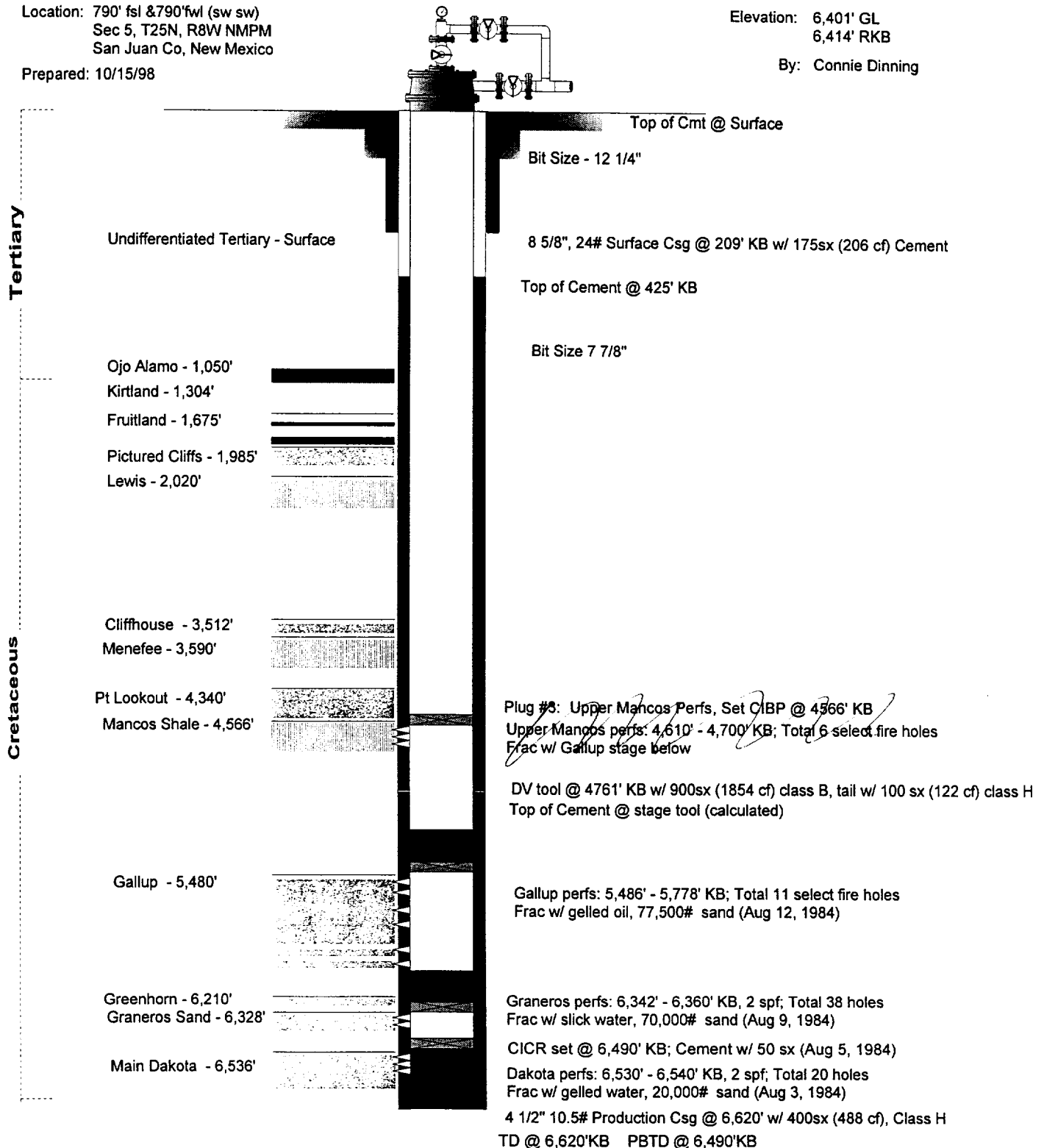
Proposed Wellbore Configuration

Location: 790' fsl & 790'fwl (sw sw)
Sec 5, T25N, R8W NMPM
San Juan Co, New Mexico

Prepared: 10/15/98

Elevation: 6,401' GL
6,414' RKB

By: Connie Dinning



WELL DATA:

SPUD: May 29, 1984
COMPLETED: Sep 6, 1984

Merrion Oil & Gas Corporation Wellbore Schematic

Custer Federal #1

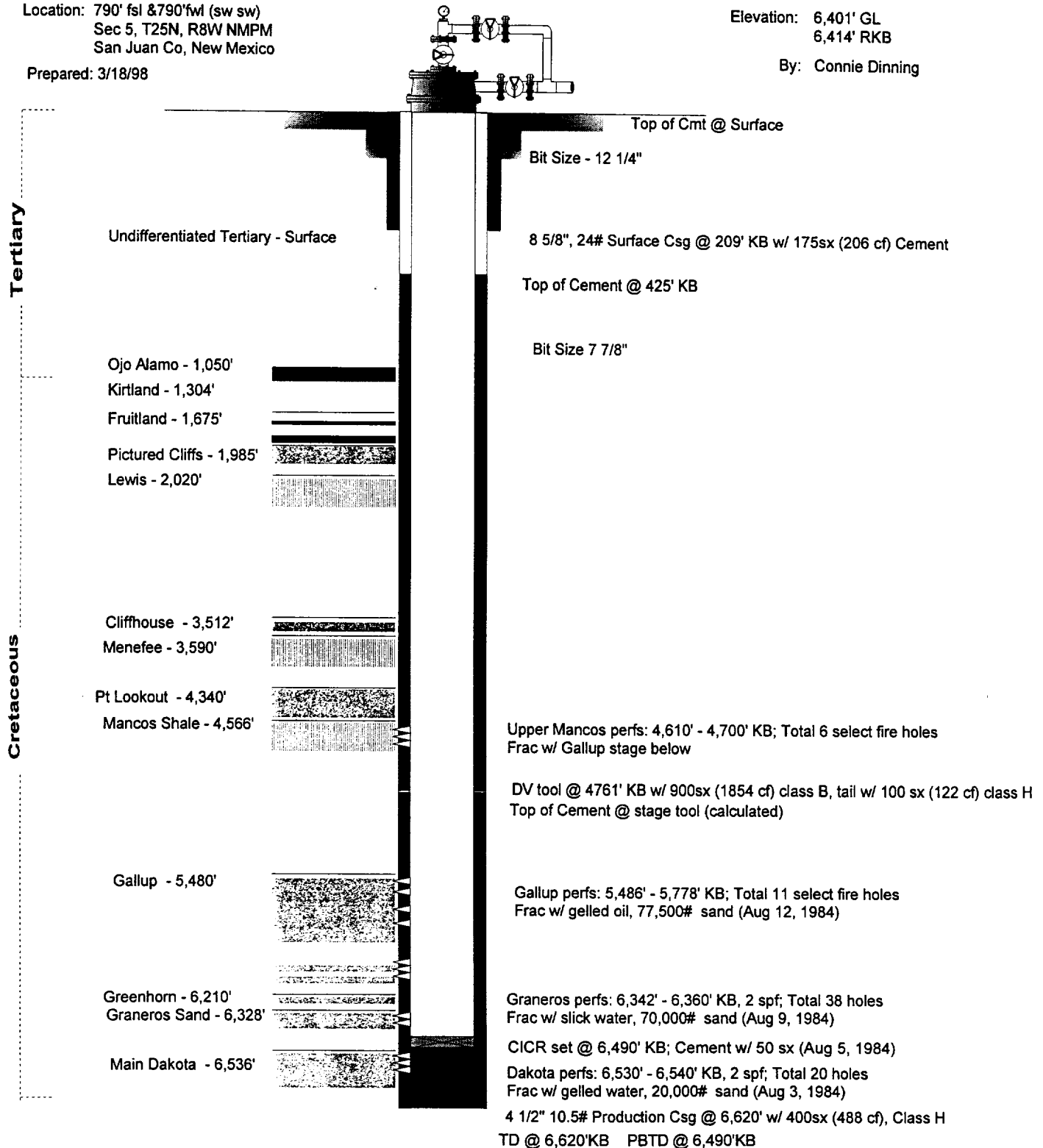
Current Wellbore Configuration

Location: 790' fsl & 790'fwl (sw sw)
Sec 5, T25N, R8W NMPM
San Juan Co, New Mexico

Prepared: 3/18/98

Elevation: 6,401' GL
6,414' RKB

By: Connie Dinning



SPUD: May 29, 1984
COMPLETED: Sep 6, 1984