STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION * DISTRIBUTION Form C-103 -P. O. BOX 2088 Revised 10-1-78 SANTA FE SANTA FE, NEW MEXICO 87501 FILE Sa. Indicate Type of Lease U.S.G.S. State X Fee LAND OFFICE 5. State Oil & Gas Lease No. OPERATOR LG 3496 SUNDRY NOTICES AND REPORTS ON WELLS S FORM FOR PROPOSALS TO DRILL ON TO DEEPEN OF PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.) 7. Unit Agreement Name WELL X OTHER-2. Name of Operator 8. Farm or Lease Name Merrion Oil & Gas Corporation Yucca Com 3. Address of Operator 9. Well No. P. O. BOx 840, Farmington, New Mexico 10. Field and Pool, or Wildcat 1850 North Dufers Point Gallup Dakota UMIT LETTER 25N East 2 15. Elevation (Show whether DF, RT, GR, etc.) 12. County 6481' GL San Juan Check Appropriate Box To Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: FORM REMEDIAL WORK ALTERING CASING PULL OR ALTER CASING CASING TEST AND CEMENT JOB 17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. TD 6792' KB, 12/22/85. Ran 4-1/2", 10.5 #/ft, K-55 Production Casing. Set casing at 6792' KB with 500 sx Class H 2% gel, 610 cu. ft. 765 sx Class B 2% chemical extender, 1575.9 cu. ft. 100 sx Class H 2% gel, 122 cu. ft. Two Stage Job. Circulated 85 Bbls cement to surface. (Drilling history attached.)

Original Signed by FRA.IK T. CHAVEZ

Supervisor District # 3

DEC 27 1985

MERRION OIL & GAS CORPORATION

YUCCA COM # 1

1850' & 790' FEL Sec. 02, 125N, R09W SAN JUAN COUNTY, NEW MEXICO

Field/Formation: DUFERS POINT GALLUP - DAKOTA Lease Designation: STATE LG-3496

DRILLING REPORTS

12/14/85

Current operation - WOC. MIRU Walter Rig #5. Spud. Ran 5 jts 8-5/8" surface csg set at 223' KB w/ 170 sx Cl "B", 3% CaCL2 (200.6 cu.ft.) Circulated 5 bbls to surface. (AM)

12/15/85

Day 1. Current depth - 223' KB. Current operation - WOC. Mud: Spud mud. (AM) Daily est cost: \$8,140 Cum est cost: \$8.140

12/16/85

Day 2. Current depth - 2749' KB. Current operation - Tripping. Mud weight: 8.6, Viscosity: 29, Water Loss: 12. Surveys: 723' - 3/4; 2030' - 1-1/2. (AM)

12/17/85

Day 3. Current depth - 3510' KB. Current operation - Drilling. Mud weight: 9.0, Viscosity: 30, Water Loss: 10. Surveys: 3020' - 1; 3510' - 1. (AM)

12/18/85

Day 4. Current depth - 4250' KB. Current operation - Drilling. Mud weight: 8.9, Viscosity: 30, Water Loss: 10. Surveys: 3591' - 1; 4038' - 1. (AM) ما المنظية كالم

12/19/85

Day 5. Current depth - 4880' KB. Cur Chaptation - Drilling-Mancos. Mud weight: 9.0, Viscosity: Water Loss: 10. Surveys: 4403' - 1. (AM)

12/20/85

Day 6. Current depth - 5593' KB. Current operation - Drilling - Gallup. Mud weight: 9.0, Viscosity: 36, Water Loss: 10. Surveys: 5003' - 1; 5499' - 1. (AM)

Merrion Oil and Gas Corporation Drilling Report Page Two

12/21/85

Day 7. Current depth - 6561' KB. Current operation - Iripping (shale). Mud weight: 9.2, Viscosity: 40, Water Loss: 9.5. Surveys: 6002' -; 6561' - 0. (AM)

12/22/85

Day 8. Current depth - 6789' KB. Current operation - circulating for logs. (Dakota). Mud weight: 9.0, Viscosity: 62, Water Loss: 9. Surveys: 6789' KB - 1/4. (AM)
RU Welex and run IES/ Induction and Compensated Neutron Density logs. Drillers ID: 6789'; Loggers ID 6784'. Welex and prepare to run 4-1/2" csg. (DE)

12/23/85

Day 9. Current depth - 6789' KB. Current operation -Cementing. (AM)

12/24/85

Drillers ID: 6790' KB Loggers ID: 6784' KB Casing TD: 6792' KB

Item	Length	Depth KB
		
Cement nose guide		
shoe	1.0'	6792.26
Jt#1 shoe jt	40.56'	
Differential fill		
float collar	1.0'	6750.70
Jt #2-#50 r.o. #28		
roll in #50 (48 jts		
csg)	1971.25'	
Stage tool	2.10	4777D) EGE 6
#51-#167 117 jts,		IN - IU
4.5" csg	4796.89'	DEC 2.7 1985
	6812.80'	
	30.2.30	OIL CON. DIV.
Pathfinder stage tools		\ DIST. 3

Total csg - 6808.70', 166 jts, 4.5" K-55 Bentler csg from Piedra Supply.

Merrion Oil and Gas Corporation Drilling Report Page Three

Circulate viscosity down to 44 sec vis. RU Dowell to cement in two stages. 1st stage: Pump 10 bbls water ahead. Mix and pump 500 sx Cl "H" w/2% gel. Yield 1.22 cu.ft./sk. Density 15.4#/gal. Shut down-wash pump & lines. Drop plug. Displace w/30 bbls water and 78 bbls mud. Bump plug at 7:25 AM. Bled pressure off. Float held. Drop opening bomb and wait 25 min to fall. Opened stage tool. Turn over to rig to circulate 3 hrs between stages. 2nd stage: Pump 10 bbls water ahead. Mix and pump 765 sx Cl "B" w/2% chemical extender. Yield 2.06 cu.ft./sk. Density 12.5#/gal. Tail in w/100 sx Cl "H" w/2% gel. Same yield as 1st stage. Shut down. Wash pump and lines. Drop plug and displace w/76.5 bbls water. Bump plug and bled pressure off. Stage tool held. Circulated 85 bbls cement to surface. Set csg in slips as cemented. Release Walter Rig #5 at 1:30 PM.