Distribution: O+4 (BLM); 1-Accounting; 1-Land; 1-File Form 3160-5 **UNITED STATES** FORM APPROVED 'June 1990) DEPARTMENT OF THE INTERIOR Budget Bureau No. 1004-0135 **BUREAU OF LAND MANAGEMENT** RECENTER Expires: March 31, 1993 Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS SF-078897A Do not use this form for proposals to drill or to deepen or reentitie a different reservoir; If Indian, Allottee or Tribe Name Use "APPLICATION FOR PERMIT--" for such proposals SUBMIT IN TRIPLICATE 7. If Unit or CA, Agreement Designation Type of Well Oil _ Well JUL 2001 Well Name and No. Name of Operator Western No. 3 Merrion Oil & Gas Corporation (14634)API Well No. Address and Telephone No. 30-045-05986 610 Reilly Avenue, Farmington, NM 87401-2634 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) Gallegos Gallup 660' fnl & 660' fwl (nw nw) 11. County or Parish, State Section 7, T26N, R11W San Juan County, New Mexico CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment (Temporary) Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other 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.)* Merrion Oil & Gas proposes to plug and abandon the subject wellbore as per the attached procedure. I hereby certif y that the foregoing is true and correct Signed Title Engineer 6/25/01 Connie S. Dinning (This space for Federal or State office use Approved By Conditions of approval, if any:

Merrion Oil & Gas Corporation

Plug & Abandon Procedure

June 25, 2001

Well:

Western No. 3

Location:

660' fnl & 660' fwl (nw nw) Sec. 7, T26N, R11W, NMPM

San Juan County, New Mexico

Field:

Gallegos Gallup

Elevation:

6048' GR 6059' KB

By:

Connie Dinning

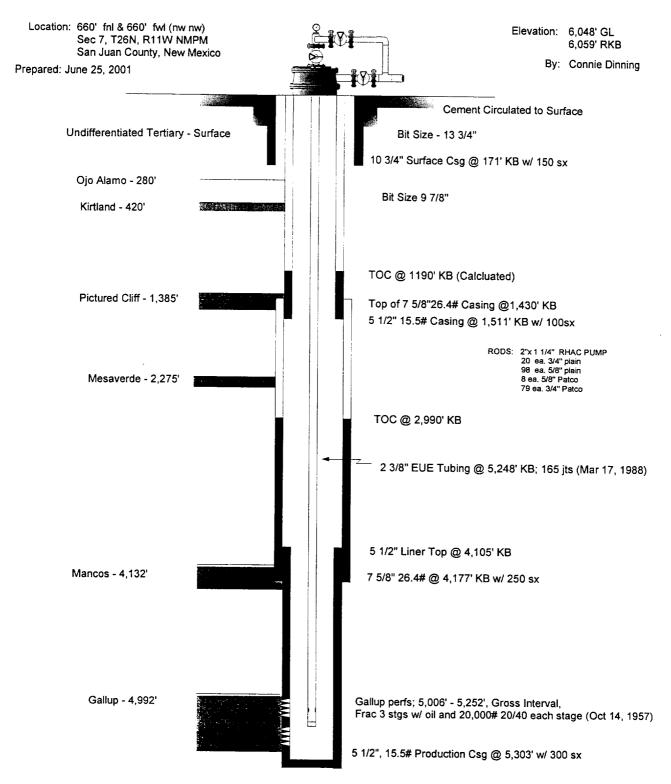
Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.33 ppg, sufficient to balance all exposed formation pressures.

- 1. Comply with all NMOCD, BLM and Merrion safety regulations.
- 2. TOH w/ rods and LD on float.
- 3. Load casing w/ water. Tally out of hole w/ tubing and TIH w/ CIBP on tubing to $\pm 4975^{\circ}$ KB.
- 4. Plug #1 (Gallup perforations and top, 100' plug on top of CIBP): Mix 11 sx (13 cu. ft) Class B cement and pump an inside plug over Gallup top. POH.
- 5. Plug #2 (Mesaverde top, 2225' 2325'): RIH w/ wireline and perforate 2 shots @ 2325'. RIH w/ CICR on tubing and set @ 2225'. Mix 70 sx (83 cu. ft) Class B cement and pump into retainer. Sting out of retainer and pump 8 sx (7cf) on top of retainer. POH to ±1385'.
- 6. Plug #3 (Pictured Cliffs top, 1335' 1435'): Mix 17 sx (20 cu. ft) Class B cement and pump an inside plug to cover Pictured Cliffs. POH w/ tubing.
- 7. Plug #4 (Ojo Alamo top 230' 330' and surface): RIH w/ wireline and perforate 2 shots @ 280'. Mix 155 sx (183 cu. ft.) Class B cement and pump down 4 1/2" casing, circulate good cement out bradenhead valve to cover Ojo Alamo top, surface casing shoe and surface. Shut in well and WOC.
- 8. ND BOP and cut off casing below surface. Install P&A marker with cement to comply with regulations. RDMOL, cut off anchors and restore location.
- 9. Restore location per BLM stipulations.

Merrion Oil & Gas Corporation Wellbore Schematic

Western No. 3

Current Wellbore Configuration



TD @ 5,319'KB

PBTD @ 5,270'KB

Merrion Oil & Gas Corporation Wellbore Schematic

Western No. 3

As Plugged Wellbore Configuration

Location: 660' fnl & 660' fwl (nw nw) Elevation: 6,048' GL Sec 7, T26N, R11W NMPM 6,059' RKB San Juan County, New Mexico By: Connie Dinning Prepared: June 25, 2001 Cement Circulated to Surface Undifferentiated Tertiary - Surface Bit Size - 13 3/4" 10 3/4" Surface Csg @ 171' KB w/ 150 sx Ojo Alamo - 280' Plug No. 4: Ojo Alamo top, surface csg, surface plug. Perf 2 shots @ 330' (inside/outside) 177 sx (209 cf) Kirtland - 420' Bit Size 9 7/8" TOC @ 1190' KB (Calcluated) Plug No. 3: Pictured Cliffs top (inside) 17 sx (20 cf) Pictured Cliffs - 1,385' Top of 7 5/8"26.4# Casing @1,430' KB 5 1/2" 15.5# Casing @ 1,511' KB w/ 100sx Plug No. 2: Mesaverde top (inside/outside) 2 shots @ 2325' Mesaverde - 2,275' CICR @ 2225', 70 sx (83 cf) TOC @ 2,990' KB 5 1/2" Liner Top @ 4,105' KB Mancos - 4,132' 7 5/8" 26.4# @ 4,177' KB w/ 250 sx Plug No. 1: 5 1/2" CIBP @ +/-4975'. Cap w/ 100' plug, 11 sx (13 cf) Gallup - 4,992' Gallup perfs; 5,006' - 5,252', Gross Interval, Frac 3 stgs w/ oil and 20,000# 20/40 each stage (Oct 14, 1957) 5 1/2", 15.5# Production Csg @ 5,303' w/ 300 sx

TD @ 5,319'KB

PBTD @ 5,270'KB