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 **EUREAU OF LAND MANAGEMENT** Expires: March 31, 1993 Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS SF-081028-A 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 "AF PLICATION FOR PERMIT--" for such proposals SUBMIT IN TRIPLICATE If Unit or CA, Agreement Designation Type of Well Oil Gas X Well Well Well Name and No. Name of Operator Serendipity No. 3 (7841) Merrion Oil & Gas Corporation (14634)API Well No. Address and Telephone No. 30-045-29686 610 Reilly Avenue, Far mington, NM 87401-2634 (505) 327-9801 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T. R., M., or Survey Description) Basin Fruitland (71629) 1500' fsl & 900' fwl (nw sw) 11. County or Parish, State Section 26, T26N, R13W, NMPM San Juan County, New Mexico CHECK API'ROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMIS: ION TYPE OF ACTION Notice of Inte t Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandor ment Notice Altering Casing Conversion to Injection Other Spud, Csg & TD Reports Dispose Water (Note: Report results of multiple completion on Completion or Recompletion Report and Log form.) Describe Proposed or completed Or erations (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.)* 11/02/98 MIRU L&B S seed Drill. Spudded 8-3/4" hole to 119' KB. Circulated clean. POH. Ran 3 joints of 7", 23#, J55, R3 surface casing set at 119' KB. Cemented with 50 sxs of Class 'B' with 4% CaCl2. 11/03/98 PD at 0800. NU BOPs. Pressure test casing to 600 psi for 30 mins. RIH with 6-1/8" MT bit. Drilled cement, new hole to 300' K3. Circulated clean. Drilling ahead. Drilled to TD @ 1385' KB condition hole. TOH, LDDP & collars. Ran 20' cut off shoe joint, insert float at 11/5/98 1357.40' of 4- /2", 10.5#, J55 used white band casing. Circulate casing to bottom. Cemented with 100 sxs of Class 'B' ceme it with 2% sodium metasilicate, 1/2#/sx celloflake. Tailed in with 100 sxs of Class 'B' cement, 1/2#/sx celloflake. Drapped plug, washed pump and lines. Displaced with 21.5 bbls water, bumped plug to 1000 psi, circulated 8 bt ls cement to surface. Released pressure, float held good. PD at 5:40 PM, landed casing in

casinghead at 385' KB (4' below KB), PBTD @ 1354'. Rel rig. WOCT.

Title 18 U.S.C. Section 1001, makes it a rime for any person knowingly and willfully to make to any department or agency of the United States any false fictive or representations as to any matter within its jurisdiction.