

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG A WELL TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-30238
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator MERRION OIL & GAS CORPORATION (01463)		6. State Oil & Gas Lease No.
3. Address of Operator 610 Reilly Avenue, Farmington, New Mexico 87401-2634		7. Lease Name or Unit Agreement Name: SHANK COM
4. Well Location Unit Letter M : 865 feet from the South line and 810 feet from the West line Section 2 Township 26N Range 13W NMPM San Juan, County		8. Well No. 002
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6064'		9. Pool name or Wildcat WAW Fruitland Sand P.C.

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: Spd & Casing Report <input checked="" type="checkbox"/>

12. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7/31/00 MIRU L&B Speed Drill 7/31/00. Spudded 8-1/4" hole to 128' KB. PU 3 joints of 7", 23#, J55, LT&C 8rd casing (from Piedra Supply) and run to 128' KB. Place centralizer over 1" collar in hole. RU American Energy cements. Establish circulation and cement with 50 sxs (59 cu.ft.) of Class 'B' and 2% CaCl2. Displace with 4 bbls water, good circulation. Returned 22 cu.ft. good cement to surface. Plug down at 6:10 PM 7/31/00. SDON. WOCT.

8/01/00 RU BOPs. Pressure test to 300 psig. Drill out with 6-1/4" bit. Drill ahead to 800' KB. Circulate clean. Trip out.

8/02/00 Drill 6-1/4" hole to TD at 1420' KB. Circulate clean. Pull off bottom. SDON.

8/03/00 TOH. RU Halliburton and run IND/DEN.NEUT/GR logs. RD Halliburton. RU San Juan Casing and run 35 jts of 4-1/2", 10.5#, J-55, ST&C casing (1409.90') and land at 1415' KB. Insert float collar at 1374' KB. Wash casing to bottom (had to wash down thru 15' of fill). Circulate for 45 mins. RU American Energy Services. Precede cement with 10 bbls of water. Mix and pump 100 sxs (206 cu.ft.) of Class 'B' with 2% SMS, 3 pps gilsonite and 1/4#/sx celloflake. Tail in with 60 sxs (71 cu.ft.) of Class 'B' with 1/4#/sx celloflake and 3 ppg gilsonite. Dropped plug and displaced cement with 22 bbls of water. PD at 1600 hrs 8/3/00. Lost circulation several times while pumping cement but able to regain by reciprocating pipe. With approx. 10 sx of tail left, lost circulation for good. Pipe became stuck. Varied pump rates but unable to regain circulation. Circulated out 0 bbls of cement to surface. (Bumped plug to 1500# - float held OK). RD American Energy Services. ND BOP and set slips. RDMOL. WOCT.

8/04/00 RU Wilson Slickline and found cement top at approx. 500'. (JT)

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Steven S. Dunn TITLE Drlg & Prod Manager DATE 8/08/00

Type or print name STEVEN S. DUNN Telephone No. (505) 327-9801

(This space for State use)

APPROVED BY ORIGINAL SIGNED BY CHARLIE T. PIERSON TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE AUG - 9 2000

Conditions of approval, if any:

Report formations left uncased by lack of cement