Distribution: O+4 (BLM); 1-Accounting; 1-Land; 1-File FORM APPROVED **UNITED STATES** Form 3160-5 Budget Bureau No. 1004-0135 (June 1990) DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT Lease Designation and Serial No. SF-078899-A SUNDRY NOTICES AND REPORTS ON WELLS 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 "APPLICATION FOR PERMIT--" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE Type of Well Oil X Weil Well JAN 2001 RECEIVED Name of Operator **ALTERNATIVE ROCK #1** OIL CON, DIV API Well No. Merrion Oil & Gas Corporation (14634)DIST 3 30-045-30250 Address and Telephone No. 10. Field and Pool, or Exploratory Area 610 Reilly Avenue, Farmington, NM 87401-2634 (505) 327-989 Location of Well (Footage, Sec., T., R., M., or Survey Description) So. Gallegos Fruitland/P.C. **1** 905' FNL & 1640' FWL (NENW) 11. County or Parish, State Section 20, T26N, R11W San Juan County, New Mexico CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Abandonment Notice of Intent Recompletion New Construction Non-Routine Fracturing Subsequent Report Plugging Back Water Shut-Off Casing Repair Altering Casing Conversion to Injection Final Abandonment Notice Dispose Water Spud, Casing & TD Reports Other (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.)* MIRU L&B Speed Drill 10/5/00. Spud 8 3/4" hole to 133' KB. Run 3 joints of 7" 23ppf, J55 surface casing with CL on 10/5/00 bottom joint. Landed at 133' KB. RU American Energy, cement surface casing with 5 bbls H₂O ahead of 50 sx H 2% CaCl₂ (59 cuft). Displace w/ 4 bbls of H₂O. Circulated 25 cuft of good cement back to surface. RD cementers. WOCT. NU BOPs. RIH with drill string, pressure test to 600 psi for 30 minutes. Drill out with 6-1/4" bit to 500' KB. Circulate 10/6/00 clean, SDON. Drill ahead w/ 6 1/4" bit to 1050' KB. Circulate clean, SDOWE. 10/7/00 SD for weekend. 10/8/00 10/9/00 Drlg ahead at 1560' KB. *** CONTINUED OTHER SIDE *** I hereby rue and correct Title Drlg & Prod Manager Dat ACCEPTED FOR RECORD Signed teven S. Dunn (Phis space for Federal or State office use) DEC 2 7 2000 Title Approved By Conditions of approval, if any: FARMINGTON FIELD Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States at NIMOCO or representations as to any matter within its jurisdiction.

Circulate hole clean. TOH and lay down drill pipe and drill collars. Rig up easing crew. Ran 35 jts. (1539.26') of 4-1/2", 11.6#, 1-55 LT&C new easing and set at 1538' GL. Ran cement nose guide shoe on bottom and insert float valve on top of shoe joint at 1493' GL. Ran 5 centralizers every other joint from the float. Rigged down casing crew. Loaded casing and circulated air out. Rigged up American Energy. Preceded cement with 10 bbls of produced water followed by 120 sx. (247 cu.ft.) of Class 'H' with 2% sodium metasilicate, 3#/sx gilsonite, and 1/4#/sx celloflake. Tailed with 60 sx (71 cu.ft.) of Class 'H' with 1/4#/sx. celloflake and 3#/sx gilsonite. Good circulation throughout job. Reciprocated pipe while pumping cement. Displaced cement with 24 bbls of water and down at 1215 hrs 10/10/00. Bumped plug to 1500# - held OK. Circulated 9.0 bbls of cement to surface. Rigged down cementers and set casing slips. Will rig down and move rig

10/11/00 KDWOL, WOCT.

10/10/00