Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
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

WELL API NO.
30-045-30271

5. Indicate Type of Lease
STATE [X] FEE [ ]

6. State Oil & Gas Lease No.
NA

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name:
FLUSH (26049)

1. Type of Well:
Oil Well [ ] Gas Well [ ] Other [Y] SWD

MAY 2002

2. Name of Operator
Merrion Oil & Gas

8. Well No. 1

3. Address of Operator
610 Reilly Ave, Farmington, NM 87401

9. Pool name or Wildcat
SWD, Mesaverde

4. Well Location

Unit Letter F : 1910 feet from the north line and 1765 feet from the west line

Section 2 Township 26N Range 13W NMPM San Juan County

10. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
6047' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPLETION	[ ]	CASING TEST AND CEMENT JOB	[ ]		
OTHER: Perform Step Rate Test	[X]			OTHER:			[ ]

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 recompilation.

Merrion Oil & Gas proposes to perform a step rate test on the subject well in accordance with the attached procedure.

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

SIGNATURE _____ TITLE Production Engineer DATE 5/1/02

Type or print name Connie S. Dinning Telephone No. 327-9801

(This space for State use)

APPPROVED BY _____ TITLE _____ DATE MAY - 2 2002

Conditions of approval, if any:

Merrion Oil & Gas Corporation

Step Rate Test Procedure

April 24, 2002

Well:	Flush No. 1	**Field:**	Mesaverde
Location:	1910' fnl & 1765'fwl (se nw)	**Elevation:**	6047' GR
	Sec. 2, T26N, R13W		6053' RKB
	San Juan County, New Mexico	**By:**	Connie Dinning

Background Information

1. The rig up diagram and mechanical configuration of the wellbore are attached.
2. A step rate test was performed when the well was initially completed. The pressure never reached the permit pressure and there was no breakover point in the data. We reached the maximum pump capacity and were unable to pump at a high enough rate to complete the test. The data from the initial test is attached for your information. Recently, injection pressure has increased and we need to perform a step rate test at current conditions to increase the permitted injection pressure limit.
3. The well was fraced in three stages as follows:

	Total Fluid Gallons	Total Sand #	Average Rate BPM	Average Pressure psi	ISIP psi
Cliffhouse	146140	154800	53	1500	910
Menefee	82026	101380	50	1824	1250
Point Lookout	81984	101000	50	1450	1050

Procedure

Run Bottom Hole Pressure Monitor

1. Notify NMOCD minimum of 24 hours prior to testing.
2. Shut in well 24 hrs prior to test.
3. Move-in, rig up Cobra Slickline.
4. RIH w/ Electronic pressure gauge and set at ±2065' KB.
5. Fill 3 tanks on location w/ produced water.

Perform Step Rate Test

1. Install pressure gauges on bradenhead and casinghead.
2. MIRU pump truck.
3. Install paper chart recorder on pump discharge to record surface pressure and rate.
4. Load hole w/ produced water.
5. Begin step rate test at 0.25 BPM. Three steps below current pressure limit of 422 psi must be established. Hold each step for 15 minutes. Increase rate in increments of 0.5 BPM up to an estimated 6.25 BPM. Three steps above breakover point must be established for a valid test. Continue pumping in .5 bbl increments if the required data is not obtained by the 6.25 BPM step.

6. Record casing and bradenhead pressures at each step.
7. Record ISIP at end of test.
8. Rig down pump.
9. Retrieve bottom hole pressure tool, rig down slickline.
10. Put well on to injection.
11. Provide all pressure/rate charts, field notes and bottom hole pressure data to Connie Dinning at the MOG office.

MERRION OIL & GAS

Flush No. 1 Step Rate Test Data Sheet

Date: _____

Recorded by: _____

Rate: BPM	Time Minutes	Cum Bbls.	Casing Pressure psi	Bradenhead Pressure psi
0.25				
0.75				
1.25				
1.75				
2.25				
2.75				
3.25				
3.75				
4.25				
4.75				
5.25				
5.75				
6.25				
6.75				
7.25				
7.75				
8.25				

Merrion Oil & Gas Corporation

Wellbore Schematic

Flush No. 1, SWD

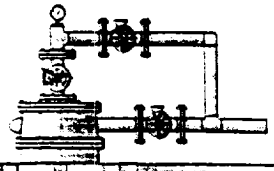
Current Wellbore Configuration

Location: 1910' fnl & 1765' fwl (se nw)
Sec 2, T26N, R13W
San Juan Co, New Mexico

January 28, 2002

Elevation: 6,047' GL
6,052' RKB

By: Connie Dinning



Top of Cmt @ Surface

Tertiary

Undifferentiated Tertiary - Surface

Bit Size - 12 1/4"

Kirtland - 76'

9 5/8" Surface Csg @ 282' KB w/ 200sx; 236(cf) Class H

Fruitland - 800'

Bit Size 8 3/4"

Pictured Cliffs - 1233'

Cretaceous

2 7/8" EUE Internally Plastic Coated Tubing @ 1914' KB
w/ 7" Lock-Set RCP w/ plastic lined mandrel
OnOff tool, SS Profile nipple, (2.31" ID).
Set packer in compression (4/21/01)

DV tool @ 1946' KB. Cement w/ 200sx (412 cf) Class H w/ 2% SMS
1% CaCl2 and 1/4#/sx Celloflake. Tail in w/ 50sx (59 cf) Class H

Mesaverde - 2060'

Mesaverde Perfs
2065' - 2432' Total 332 holes. Frac w/ filtered produced water &
154,800# 20/40 sand
2753' - 3270' Total 170 holes. Frac w/ filtered produced water %
101,000# 20/40 sand
3433' - 3866' Total 186 holes (all zones, holes 0.32"). Frac w/
produced water & 101,000# 20/40 Brady sand (April 11, 2001)

7" Production Csg @ 4103' w/ 400 sx (473cf) Class H w/ 1%CaCl2
and 1/4#/sx Celloflake (Note: 42 jts 23# N-80 LT&C on bottom, 19 jts
23# J-55 ST&C next, DV tool, then 23 jts 23# J-55 ST&C, then 35 jts
26# J-55 on top)

TD @ 4106'KB
PBTD @ 4069'KB

Merrion Oil & Gas Corporation

Step Rate Test, Rig Up Diagram

Flush No. 1, SWD

Location: 1910' fnl & 1765' fwl (se nw)
Sec 2, T26N, R13W
San Juan Co, New Mexico

By: Connie Dinning
March 12, 2001