Distribution: O+4 (BLM); 1-Accounting; 1-Crystal; 1-File Form 3160-5 UNITED STATES ORM APPROVED (June 1990) DEPARTMENT OF THE INTERIOR Budget Bureau No. 1004-0135 BUREAU OF LAND MANAGEMENT Expires: March 31, 1993 Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS SF-078213 Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT--" for such proposals 14 AM 10: 2 If Indian, Allottee or Tribe Name SUBMIT IN TRIPLICATE If Unit or CA, Agreement Designation **070** Farmington. Type of Well Oil Gas X Well Well Well Name and No. Name of Operator (23182 Panther No. 2 Merrion Oil & Gas Corporation (14634)API Well No. Address and Telephone No. 30-045-295 74 610 Reilly Avenue, Farmington, NM 87401-2634 10. Field and Pool, or Exploratory Area (77,206) Location of Well (Footage, Sec., T., R., M., or Survey Description) Fulcher Kutz Pictured Cliffs 832' fsl & 1835' fel (sw se) 11. County or Parish, State Section 25, T30N, R13W San Juan County, New Mexico 12. CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment 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 Perfs, Frac & Tbg Rpt 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.)\* 7/27/98 MIRU Black Warrior WL Company and BJ Services. Ran CBL-CNL-CCL log from PBTD @ 1786' KB to 1200' KB. Pressure tested casing to 3000 psi for 10 mins - held good. Perforated Pictured Cliffs from 1720'-1736', 16' (32 holes - 2 jspf - 0.34" dia.), per Piedra Vista 1E density log. Breakdown with 2% KCl water, ISIP 350 psig. Did not ball off with 12 bbls 15% HCl acid and 48 RCN ball sealers, 5 bpm at 650 psig, ball off to 3400 psig. Flow back well. Ran junk basket, recovered 46 ball sealers, 32 with hits. Shut in well. RU flowback manifold. 7/28/98 MIRU BJ Services. Frac Pictured Cliffs perfs (1720'-36' KB) with 30,000 gal 70 Q 20# x-link foam, 61,000# 16/30 sand, pumped at 30 bpm, ATP 1150 psi, ISIP 770 psi. RD equipment. Start flowback on 1/4" choke at 10:30 AM MIRU Big A. ND WH, NU BOPs. TIH with 2-3/8" bailer on 2-3/8" tubing. Tagged sand @ 1733', bailed to 7/30/98 1797', TOH LD bailer. TIH with 2-3/8" production string with seating nipple on bottom. Landed tubing at 1694' KB with seating nipple on bottom. ND BOPs. NU WH. Swabbed for 3 hrs, FL stayed at 600'. RDMOL. I hereby certify that the foregoing is true and correct Title Contract Engineer Connie Dinning (This space for Federal or State office use) Approved By Title Conditions of approval, if any: States any falso fictive estato a OFFICE tatements 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 State or representations as to any matter within its jurisdiction. NMOCD