

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO.
30-039-29220

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

CHUBBY HUBBY

8. Well Number
001

9. OGRID Number
014634

10. Pool name or Wildcat

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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
MERRION OIL & GAS CORPORATION

3. Address of Operator
610 REILLY AVENUE, FARMINGTON, NM 87401

4. Well Location
Unit Letter C : 885 feet from the North line and 1640 feet from the West line
Section 2 Township 24N Range 02W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7328' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Completion ☒

13. 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.

5/2/05 MOL & RU Hurricane Rig #6. ND WH. RU Jet West and RIH w/ video camera. Inspect casing collar at 1191'. Remnants of liner hanger slips visible but appears to have been milled off. Continue in hole and found other slip segment at ~2900'. Pushed down hole w/ camera until slip became stuck in casing at 3178'. POOH w/ camera. RIH w/ 6-3/4" magnet on sand line. RIH to ~3200' and tag up solid. POOH w/ magnet. Retrieved slip segment. Made additional run w/ magnet to 3200' but did not recover anything. RIH w/ video camera to 3203' (visibility very poor). Appear to be setting down on cement plug. POOH w/ camera and RD Jet West. NU BOP and change out rams. SWI, secure location & SDON.

5/3/05 Late getting to location due to muddy roads. PU junk mill, sub, 6 each 3-1/8" drill collars and RIH on 2-3/8" tubing. Tag up at 3211' KB. PU power swivel and rig up pumps and lines. SD to repair pump. Load hole with ~45 bbls of water and start circulating the hole. Running very low on water. Water trucks unable to get to location until morning due to road conditions. Pull up to 3191'. SWI, secure location & SDON.

***CONTINUED OTHER SIDE ***

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Steven S. Dunn TITLE Drlg & Prod Manager DATE 6/06/2005

Type or print name STEVEN S. DUNN E-mail address: sdunn@merrion.bz Telephone No. (505) 324-5300
For State Use Only

APPROVED BY: Charles R. [Signature] TITLE SUPERVISOR DISTRICT # 3 DATE JUN - 8 2005
Conditions of Approval (if any):

5/4/05 Found well w/ 0 psi. Attempt to load hole w/ water. Took nearly 80 bbls to get circulation. SD and wait for more water. Continue circulating; only getting partial returns. Continue circulating until finally getting full returns. Start rotating at 3211. Very slow drilling, pipe torques up as soon as any weight is applied. Only getting back very small metal shavings. Well continue to take fluid. Drilled thru liner hanger at ~3221' and continued in hole until tagging up at 3242'. Continue drilling down to 3262'. Getting back small pieces of rubber and small brass/metal shavings. Circulate hole clean (hole still taking fluid). Pull up to 3191'. SWI, secure location & SDON.

5/5/05 Found well w/ 0 psi. THH to 3262', did not hit anything. Continue THH to 3277' and tag up solid. Break circulation w/ water. Drill out ~ 2' (3279') and lost circulation. Continued pumping but never able to regain full returns. Pull up to 3191' (above liner top). THH and tag up at 3537' (float collar). Attempted to circulate w/ water but still not able to get full returns. TOH. Mill looks about 40%-50% of new. SWI, secure location & SDON.

5/6/05 Found well with 0 psi. THH with 3-7/8" bit on 6 each 3-1/8" drill collars and 2-3/8" tubing to ~2100'. Wait on M&R to move in air package. RU air package and lines. Unload hole with air. Continue THH. Tag up at 3537'. Unload hole with air, start mist (with soap and inhibitors) and start drilling float collar. Drilled ~10" then quit drilling, unable to get any torque while setting all weight down. Cut mist and dry up hole. TOH. RU Jet West and run video camera, hit fluid level at ~2900'. Fluid clarity very poor, unable to see anything with camera. RU to pump air down casing. Pressured up to ~1300 psi and pushed fluid back down hole. Continue in hole with camera, able to run camera down to liner top. Fluid going down between liner and 7" casing. Fluid staying in 4-1/2" liner, unable to see anything inside liner. RD Jet West. SWI, secure location & SD for weekend.

5/9/05 Found well with 0 psi. THH with casing scraper on 2-3/8" tubing to 3535'. TOH. RU Jet West and RIH with 3-1/8" squeeze gun. Shoot 4 ea. squeeze holes at 3530'. RD Jet West. PU CIRC and RIH on 2-3/8" tubing. Set CIRC at 3515' KB. Pressure test tubing and CIRC valve to 2500 psi - would not hold. Made multiple attempts to open and close valve on CIRC but would not test. Lay down 1 ft and drop standing valve. Attempt to pressure test tubing but would not hold pressure. TOH. Tubing staying full. RU fishing tool and RIH on sand line. Retrieve standing valve and continue TOH. No obvious holes in tubing. Stinger on setting tool looked OK. Seating nipple looks washed out. PU 4-1/2" casing packer and RIH on 1 stand of 2-3/8" tubing. SWI, secure location & SDON. Will change out SN in morning and pressure test CIRC with packer and re-test tubing if necessary.

5/10/05 Found well with 0 psi. Change out seating nipple and THH. Set packer at 3491' KB. Pressure test CIRC and tubing to 1000 psi - held OK. Release packer and TOH. LD packer and PU stinger. THH with stinger, sting into CIRC. RU BJ Services, attempt to establish an injection rate. Pressured up tubing to 1500 psi. Appears that stinger not in CIRC or valve in CIRC not opening. Made multiple attempts to get into CIRC but never able to establish an injection rate, tubing kept pressuring up. TOH, call for wireline truck. RU Jet West and RIH with 3-1/8" squeeze gun (shoot 4 ea. squeeze holes at 3504'). THH with packer, set packer at 3491 and establish an injection rate of 2.5 bpm at 250 psi. Release packer and start TOH. SWI, secure location & SDON.

5/11/05 Finish TOH with packer. PU CIRC and THH. Set retainer at 3484'. RU BJ Services. Pressure test pumps and lines. Establish an injection rate of ~2.0 bpm at 250 psi. Mix and pump 50 sxs (101.5 cu.ft.) of Premium Lite HS with 3#/sx CSE, 1/4#/sx cellohake, 0.3% CCD-32, 0.65% F52 & 2% Phenoseal. SD to wash pumps and lines. Displaced cement with 13.0 bbls of water. Sting out of cement retainer, leaving 1/2 bbl of cement on top of retainer. Started getting returns to surface at the end of displacement. Lay down 2 jis and circulated hole clean with water. Pumped 130 bbls of water (good circulation). Recovered ~ 4 bbls of very light cement to surface. RD BJ Services. TOH with tubing and stinger/setting tool. SWI, secure location & SDON.

5/12/05 THH with 3-7/8" bit, bit sub, 6 ea. 3-1/8" DC's and 2-3/8" tubing. Tag up on cement at 3461'. Break circulation with water. Shut pipe rams and pressure test casing to 1200 psi - held OK for 15 min. Release pressure. PU power swivel and drill out cement down to CIRC at 3484' KB. Circulate hole clean & TOH. RU Black Warrior Wireline Company and RIH with CBI/GR. Log 4-1/2" liner from 3484' to liner top at ~3220' (reported to be at 3214'). Found top of cement at 3335' (which is the depth of the 7" casing shoe). Ran DSN/GR from 3484' to top of liner. RD BWWC. SWI, secure location & SDON.

5/13/05 ND BOP & NU WH. Load hole with water. RU WSI tester and pressure test casing/WH to 3500 psi. Lost 150 psi in 40 mins. RD WSI. TIH with 6 each 3-1/8" drill collars. LD drill collars and load handling equipment on trailer. SWI, secure location & SD until Monday. Plan to perforate and swab test Pictured Cliffs on Monday.

5/16/05 RU Jet West Wireline. RIH with 3-1/8" casing gun and perforate the Pictured Cliffs formation at the following depths: 3423'-3443' (2 spf for a total of 40 holes, EHD: 0.34"). RD Jet West. RIH with 109 joints of 2-3/8" tubing with seating nipple on bottom. RUTS. Initial fluid level was 500', final fluid level was 1000'. Fluid level stayed at 500' run 1 thru run 7. Run 8 and 9 fluid level dropped to 750'. Run 10 fluid level was 1000'. Made 10 runs in 4 hr period. Recovered ~60 bbls of fluid to pit, no sign of gas, casing did not build pressure. SWI, secure location & SDON.

5/17/05 SITP 0 psi. SICP 0 psi. Continued swabbing. Made 11 swab runs. Initial fluid level 1800'. Final fluid level 2600'. No indication of gas. SD 2 hours. Checked fluid level @ 2600' - no inflow. Made 3 additional swab runs. Final fluid level @ 2700'. Recovered total of 26 bbls water for day. Secured well and SDFN.

5/18/05 SITP 0 psi, SICP 0 psi. TOOHH with tbg. PU 4-1/2" RCP, TIH with 107 joints set packer @ 3391'. RU Key Pressure Pumping Service. KPPS pumped 250 gals 15% HCl @ 0 psi, displaced with 17 bbls 2% KCl. Caught fluid after pumping total of 10 bbls fluid, broke down perfs @ 1500 psi, continued displacing @ 5.8 BPM. Final pressure 1750 psi, ISIP 200 psi. Well went on vacuum, released packer. RU to swab, made 22 swab runs. IFL @ 2600'. Fluid level stabilized @ 3100' after first few runs, recovered total 34 bbls water in 7 hours. No indication of gas. Secured well and SDFN.

5/19/05 SITP/SICP 0 psi. TOOHH with tbg and RCP, PU 4-1/2" cements retainer. TIH with 107 jts, set packer @ 3390'. RU BJ Services. Held safety meeting. Filled casing with fresh water. Tested surface lines to 3000 psi, established rate of 1.5 BPM @ 370 psi. Mixed and pumped 50 sxs (18 bbls slurry) Premium Lite cement @ 2 BPM, displaced with 1/4 bbl water. Squeezed perfs to 1550 psi. Stung out of retainer. Reversed out excess cement to pit. RD BJ Services. TOOHH with tbg. Secured well and SDFN. Approx. 5 bbls cement below retainer. SDON.

5/20/05 SITP 0 psi. SICP 0 psi. PU 3-7/8" bit, BS and six 3-1/8" drill collars and TOOHH. Tagged top of cement @ 3340'. PU power swivel. Washed out very soft cement to cement retainer @ 3380'. Drilled on retainer. Drilled thru slips and retainer fell 3'. Continued drilling, pushing retainer into soft cement. Cement too soft to drill. Circulated hole. TOOHH 5 stds. Secured well and SDFN.

5/23/05 SITP 0 psi, SICP 0 psi. Ran back 5 stands, continued drilling out cement retainer and cement. Cement still soft, TIH to retainer @ 3484'. Circulated hole clean, RU to test squeezed perfs. Pressured casing to 1500 psi pressure broke back to 800 psi. Established rate of 3/4 BPM @ 1200 psi. LD power swivel and TOH could not pull drill collars threads on safety clamp stripped. W/O replacement clamp, packer and cementers. TOH with six drill collars. PU 4-1/2" RCP and TIH with 103 jts 2-3/8" tbg, set packer @ 3260' tested down tubing. Slow bleed off @ 1500 psi. Tested down backside to 1500 psi - held ok. Re-tested down tbg to 2000 psi - broke back to 1200 psi @ 1/2 BPM. Released packer and TOH. LD packer. TIH with 108 jts 2-3/8" tbg to 3420'. RU BJ Services. Held safety meeting. Tested surface lines to 2500 psi. Pumped 5 bbls water. Batch mixed 3 bbls Type III cement containing 1-1/2% CaCl. Pumped 3 bbls cement down tubing. Displaced with 11.5 bbls water. TOH with 10 stands. Squeezed balanced plug to 1500 psi. Estimate 1 bbl cement pumped into perfs. SD with 1500 psi on well. SDFN.

5/24/05 SITP 0 psi. SICP 0 psi. TOOHH w/ 2-3/8" tubing. TIH w/ new 3-7/8" bit, BS, six 3-1/8" drill collars on 2-3/8" tbg. Tagged top of cement @ 3275'. PU power swivel. Drilled out cement to 3443', ran to 3470'. Circulated hole clean. Tested casing to 2000 psi - held ok. LD power swivel. Began TOOHH, laying down. Secured well and SDFN.

5/25/05 SITP 0 psi. SICP 0 psi. Fin TOOHH laying down tubing and DCs. ND BOP. NU WH. RD rig and equipment. Cleaned pit. Cleaned up location. Moved to Cookie Dough #1.

