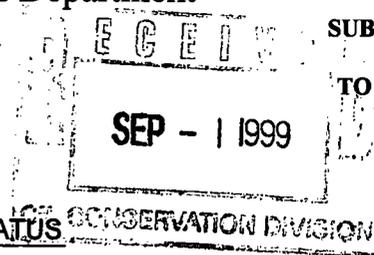


District I - (505) 393-6161
 1625 N. French Dr
 Hobbs, NM 88241-1980
 District II - (505) 748-1283
 811 S. First
 Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Road
 Aztec, NM 87410
 District IV - (505) 827-7131

New Mexico
 Energy Minerals and Natural Resources Department
 Oil Conservation Division
 2040 South Pacheco Street
 Santa Fe, New Mexico 87505
 (505) 827-7131

1197 Form C-142
 Date 06/99



SUBMIT ORIGINAL
 PLUS 2 COPIES
 TO THE SANTA FE
 OFFICE

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address MERRION OIL & GAS CORPORATION 610 Reilly Avenue Farmington, New Mexico 87401							OGRID Number 014634		
Contact Party Connie S. Dinning							Phone (505) 327-9801 x126		
Property Name TOE (24733)					Well Number 1		API Number 30-045-29772		
UL N	Section 29	Township 26N	Range 12W	Feet From The 907	North/South Line South	Feet From The 1770	East/West Line West	County San Juan	

II. Date/Time Information

Spud Date 7/21/99	Spud Time 4:37 p.m.	Date Completed 8/13/99	Pool Basin Fruitland (71629)
-----------------------------	-------------------------------	----------------------------------	--

III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of New Mexico)
)
 County of San Juan)

T. Greg Merrion, being first duly sworn, upon oath states:

1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
2. To the best of my knowledge, this application is complete and correct.

Signature T. Greg Merrion Title President Date 8/30/99

SUBSCRIBED AND SWORN TO before me this 30th day of August, 1999

Clifford J. Greys
 Notary Public

My Commission expires: August 7, 2002

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark Shley</u>	Title <u>P.E. Spec.</u>	Date <u>OCT 1 1999</u>
--------------------------------	----------------------------	---------------------------

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 10/1/99

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2006438527

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Merrion Oil & Gas Corporation (14634)

3. Address and Telephone No.
610 Reilly Avenue, Farmington, NM 87401-2634 (505) 327-9801

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**907' fsl & 1770' fwl (se sw)
Section 29, T26N, R12W**

5. Lease Designation and Serial No.
NM-0560223

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
TOE No. 1

9. API Well No.
30-045-29772

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal (71629)

11. County or Parish, State
**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
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Spud & Csg Rpts</u> (REVISED)
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

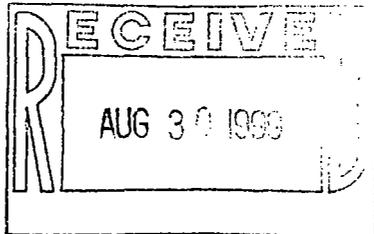
(Note: Report results of multiple completion on Completion or Recompletion Report and Log form.)

13. 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.)*

CORRECTION - DATES SHOULD BE 7/21/99, 7/22/99 & 7/23/99 FOR SUNDRY NOTICE SUBMITTED ON 8/5/99.

**Added pressure test --
7/22/99 NU BOPS. Pressure tested to 600 psi for 30 mins - held OK. Drill out 6-1/4" bit.
Drill ahead to 810' KB. Circulate clean. Pull off bottom. Secure well. SDON.**

RECEIVED
BLM
99 AUG 24 PM 12:35
070 FARMINGTON, NM



14. I hereby certify that the foregoing is true and correct

Signed Esther J. Greyeyes Title Drlg & Prod Tech Date 8/23/99

(This space for Federal or State office use)

Approved By _____ Title _____ Date _____

Conditions of approval, if any: _____

ACCEPTED FOR RECORD
AUG 26 1999

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
BLM

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

89 AUG - 6 PM 1:06
070 FARMINGTON, NM

5. Lease Designation and Serial No.
NM-0560223

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Toe No. 1

9. API Well No.
30-045-29772

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal (71629)

11. County or Parish, State
**San Juan County,
New Mexico**

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Merrion Oil & Gas Corporation (14634)

3. Address and Telephone No.
610 Reilly Avenue, Farmington, NM 87401-2634 (505) 327-9801

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**907' fsl & 1770' fwl (se sw)
Section 29, T26N, R12W**

12. CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Spud & Csg Reports</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Completion or Recompletion Report and Log form.)

13. 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.)*

- 7/21/99 MIRU L&B Speed Drill on 7-21-99. Drill 8 3/4" hole to 120' KB. Condition hole. TOH. PU 3 jts 7" 23 ppf J55 surface casing, RIH to 120' KB. RU Cementers Inc., cement with 50 sx class 'B', 2% CaCl₂, and 1/4 pps celloflake (59 cuft). Circulate ~2 bbls good cement to surface. WOCT. Secure well, SDON.
- 7/22/99 Drill ahead to 810' KB. Circulate clean. Pull off bottom. Secure well, SDON.
- 7/23/99 TD well at 1215' KB. Circulate hole clean. TOH, LDDP & DCs. RU San Juan Casing crew. Ran 28 joints of 4-1/2", 10.5#, J-55, ST&C casing (1193.01') and land at 1199' KB. Insert float at 1163' GL. RU Cementers Inc. Preceded cement with 10 bbls of water. Mix and pump 75 sxs (155 cu.ft.) of Class 'B' with 2% sodium metasilicate, 3#/sx gilsonite and 1/4#/sx of celloflake. Tail in with 75 sx (89 cu.ft.) of Class 'B' with 3#/sx gilsonite and 1/4#/sx of celloflake. Good returns throughout job. Dropped plug and displaced cement with 18.5 bbls of water. PD at 1630 hrs 7/23/99. Float held OK. Circulated out 15 bbls of cement to surface. RD Cementers Inc. Set slips. NU WH and release rig. WOCT.

14. I hereby certify that the foregoing is true and correct

Signed Connie S. Dinning Title Contract Engineer Date 8/5/99

RECEIVED
AUG 10

ACCEPTED FOR RECORD

(This space for Federal or State office use)

Approved By _____ Title _____ Date _____

Conditions of approval, if any: _____

AUG 13 1999

FARMINGTON FIELD OFFICE

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

NM-0560223

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
P11 1:19

8. FARM OR LEASE NAME, WELL NO.
Top No. 1 (24733)

9. APIWELLNO.
30-045-29772

10. FIELD AND POOL, OR WILDCAT (71629)
Basin Fruitland Coal

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Section 29, T26N, R12W

12. COUNTY OR PARISH
San Juan

13. STATE
New Mexico

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *BL

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RENOV. Other _____

2. NAME OF OPERATOR
Merrion Oil & Gas Corporation (014634)

3. ADDRESS AND TELEPHONE NO.
610 Reilly Avenue, Farmington, NM 87401-2634 (505) 327-9801

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 907' fsl & 1770' fwl (se sw)
At top prod. interval reported below
At total depth

14. PERMIT NO. _____ DATE ISSUED _____

15. DATE SPUDDED 7/21/99 16. DATE T.D. REACHED 7/23/99 17. DATE COMPL. (Ready to prod.) 8/13/99 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6070' GR, 6075' RKB 19. ELEV. CASINGHEAD --

20. TOTAL DEPTH, MD & TVD 1215' KB 21. PLUG, BACK T.D., MD & TVD 1167' 22. IF MULTIPLE COMPL., HOW MANY* -- 23. INTERVALS DRILLED BY -- ROTARY TOOLS 0-TD CABLE TOOLS ---

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
Fruitland Coal: Main coal 1042'-1062' (3 spf - 60 holes); Top coal 1033'-1037' (3 spf - 12 holes). 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN DS Neutron/CCL 27. WAS WELL CORDED No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
7"	23#, J55	120' KB	8-3/4"	50 sxs (59 cu. ft.)	
4-1/2"	10.5#, J55	1199' KB	6-1/4"	150 sxs (244 cu. ft.)	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
----	----	----	----	

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	1070' KB	

31. PERFORATION RECORD (Interval, size and number)

Fruitland Coal:
1033'-1062' (72 holes)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
1033'-1062'	Frac well with 38,000# of 20/40 Brady sand in 20# linear gel and 70 Q foam.

33.* PRODUCTION

DATE FIRST PRODUCTION 8/13/99 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping WELL STATUS (Producing or shut-in) Shut-In

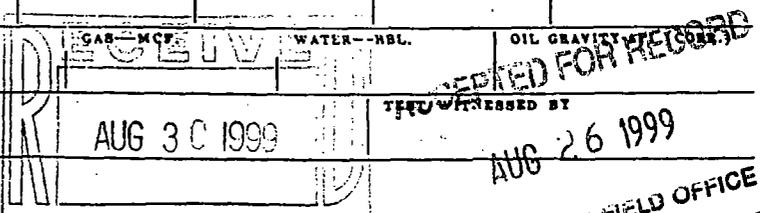
DATE OF TEST No Test HOURS TESTED Shut-In CHOKE SIZE PRODN. FOR TEST PERIOD OIL—BSL. GAS—MCF. WATER—BSL. GAS-OIL RATIO

FLOW, TUBING PRESS. CASING PRESSURE CALCULATED 24-HOUR RATE OIL—BSL. GAS—MCF. WATER—BSL. OIL GRAVITY

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.
SIGNED Steven S. Dunn TITLE Dir & Prod Manager DATE 8/17/99



*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38.

GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Nacimiento	Surface	
				Fruitland	730'	
				Main Coal	1026'	
				Pictured Cliffs	1065'	
				Total Depth	1215' KB	

Company No. 100 MERRION OIL & GAS
Well No. 06500-4 TOE 1
Billing Cd. D DRILLING COSTS
Eff. Date 05/01/99

Decimal Remaining 0.00000000

H1) Description MOG BUYING JKE INTEREST

Ref	Participant	Company Reference	Int Typ	OT	Stat	AFE No.	Decimal Interest
----- A-----			B--	--	C--	D----	E-----
1	72420 PENDRAGON ENER		W	1	B		0.625000000
2	99100 MERRION OIL &		W	4	B	98002	0.375000000

End of List.

Mods nX, 'H1', 'D'n, 'O'nnnnn, 'DEL'n, 'A'dd or 'CANCEL' \\\