

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
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

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.)		WELL API NO. 30-045-05780
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Indicate Type of Lease FEDERAL STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator MERRION OIL & GAS CORPORATION (014634)		6. State Oil & Gas Lease No. TO BE COMMUNITIZED
3. Address of Operator 610 Reilly Avenue, Farmington, New Mexico 87401-2634		7. Lease Name or Unit Agreement Name: BLACKROCK C
4. Well Location Unit Letter C : 990 feet from the North line and 1650 feet from the West line Section 21 Township 26N Range 11W NMPM San Juan County		8. Well No. 001
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6214'		9. Pool name or Wildcat GALLEGOS GALLUP (26980)

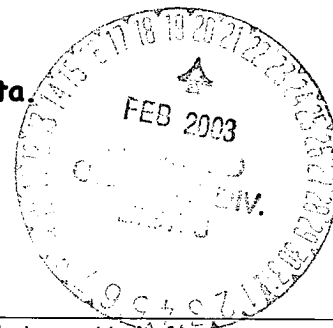
11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Commingle <input type="checkbox"/>	

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.

Plan to complete Gallup and commingle Gallegos Gallup and Basin Dakota.

See attached supporting data.



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

SIGNATURE George Sharpe TITLE **Production Engineer** DATE **2/19/03**

Type or print name **George F. Sharpe** Telephone No. **(505) 327-9801**

(This space for State use)

APPROVED BY [Signature] TITLE **DEPUTY OIL & GAS INSPECTOR, DIST. 81** DATE **FEB 20 2003**

Conditions of approval, if any:

~~HOLD ON GALLEGOS GALLUP FORM C-102~~

o/k

✓

**SUPPORTING DATA FOR C-103
BLACKROCK C-1 COMMINGLE
BASIN DAKOTA (71599) AND GALLEGOS GALLUP (26980)**

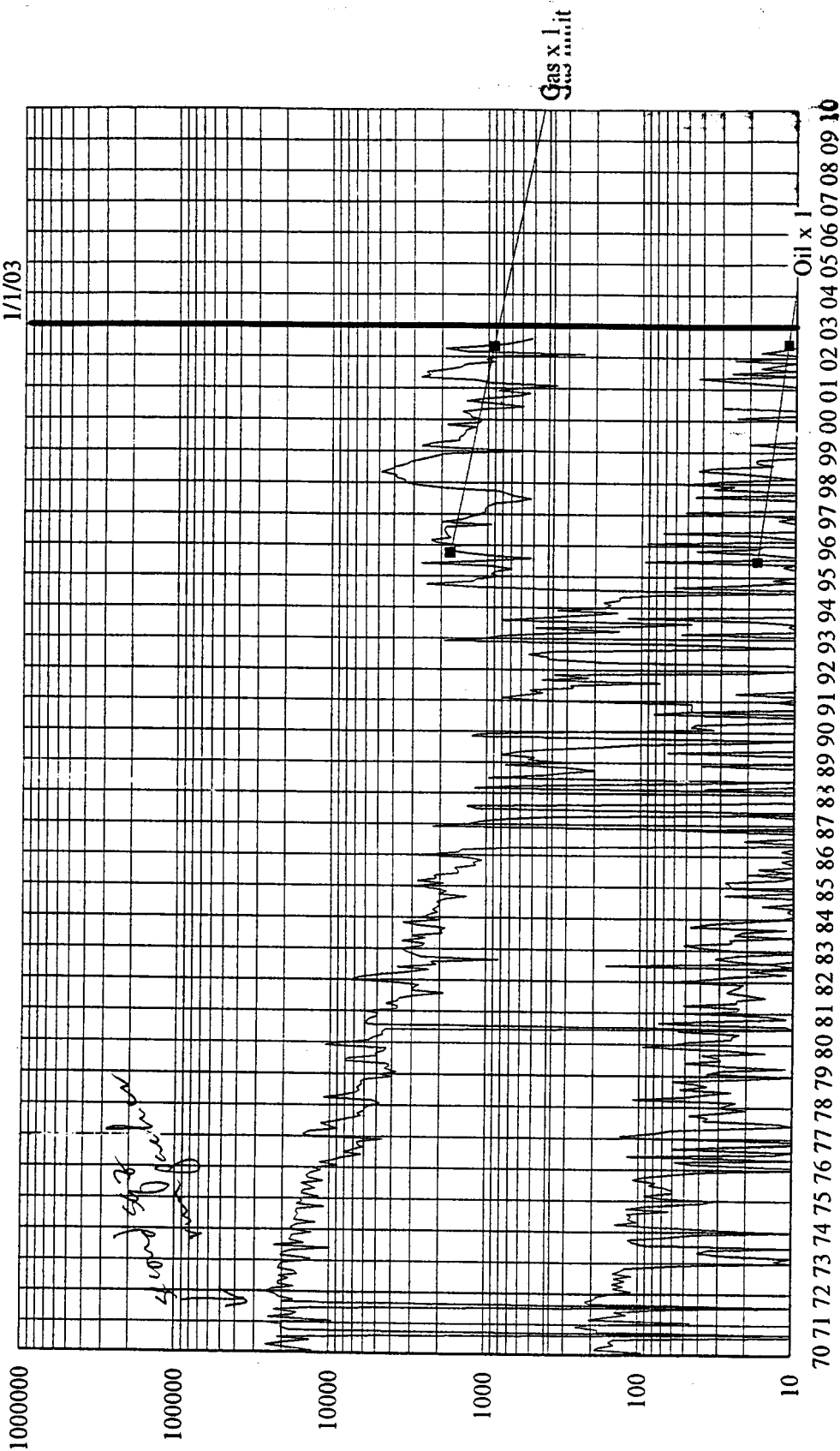
This supplemental information is attached to the C-103 to commingle the subject well in the Basin Dakota and Gallegos Gallup pools.

1. The Basin Dakota and Gallegos Gallup have been pre-approved for commingling by Order No. R-11363.
2. The well is currently perfed in the Dakota from 6040 to 6080'. We plan to add the Gallup interval pursuant to the attached procedure from 5017' to 5278'.
3. The Dakota is making approximately 30 MCFD as shown on the attached production plot. Dakota production just before the commingling will be subtracted from the commingled production rate to determine the contribution from the Gallup zone. A constant percentage shall be used to allocate production between the zones.
4. The commingling will increase, not reduce, the value of the remaining production.
5. Ownership of the Dakota and Gallup are identical.
6. A copy of this application will be sent to the Farmington BLM office.

PRODUCTION GRAPH

Blackrock C1 (1 - 100%), Basin

Effective Date
1/1/03



2300430450578071599
Blackrock C1 (1 - 100%)
Unknown Operator
Basin
San Juan, NM

II

Cumulative:
Remaining:
Ultimate:

Oil (bbl)
38,920
855
39,775

Gas (mcf)
4,236,718
59,373
4,296,091

Water (bbl)
187
143
330