Distribution: O+3 (BLM); 1-Accounting; 1-L	and; 1-File	
Form 3160-5 UNITED ST	ATES	FORM APPROVED
(June 1990) DEPARTMENT OF T	THE INTERIOR	Budget Bureau No. 1004-0135
BUREAU OF LAND MANAGEMENT		Expires: March 31, 1993
SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial No. NM-47168
Do not use this form for proposals to drill or		6. If Indian, Allottee or Tribe Name
Use "APPLICATION FOR P	ERMIT" for such proposals	
SUBMIT IN	TRIPLICATE	7. If Unit or CA, Agreement Designation
1. Type of Well	AND TARMING TONING	
Well Well Other	AUG 2000 3	<u> </u>
2. Name of Operator	Ch Ch C	8. Well Name and No.
•		Custer Federal No. 1
Merrion Oil & Gas Corporation 3. Address and Telephone No.	(14634)	9. API Well No.
610 Reilly Avenue, Farmington, NM 87401	-2634 (\$05) 327-9801 A	10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec., T., R., M., or Survey Description		Basin Fruitland
790' fsl & 790' fwl (sw sw)	The state of the s	11. County or Parish, State
Section 5, T25N, R8W		San Juan County,
Section 3, 12511, Row	•	New Mexico
12. CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
X Notice of Intent	Abandonment (Temporary)	Change of Plans
	Recompletion	New Construction
		H
Subsequent Report	Plugging Back	Non-Routine Fracturing
_	Casing Repair	Water Shut-Off
Final Abandonment Notice	Altering Casing	Conversion to Injection
	X Other Add perfs/stimulate FC	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.)*		
Merrion Oil & Gas (MOG) proposes to return the subject well to production. The date of last production was May 2002. Merrion had been reporting that the well was using gas on lease since that date. That was incorrect due to an error in our production reporting spreadsheet. The error has been reported to the MMS and we are in the process of correcting the reports. Our spreadsheet has been corrected and any future production will be reported correctly.		
We propose to add perforations and stimula		cedure. S OF APPROVAL usly issued stipulations.
14. Thereby certify that the foregoing is true and correct Signed Connie S. Dinning (This space for Federal or State office use) Approved By	Title Production Engineer Title Actua	Date 8/3/2004 Date F-6-64
Conditions of approval, if any:	<u> </u>	

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 States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

Merrion Oil & Gas Corporation

Workover Procedure

August 2, 2004

Well: Location: Custer Federal No. 1

790' fsl & 790' fwl

Sec. 5, T25N, R8W, NMPM

San Juan County, New Mexico

Field: Elevation: Basin Fruitland

6,401' GR

6,414' KB **Prepared By:** Connie Dinning

Procedure:

Note: All Fluids to be 2% KCl based.

Prior to Move In

1. Check wellsite for anchors.

2. Dig and line pit or haul in rig pit.

3. Haul in 10 jts. 2 3/8" tubing.

 Order in frac/test tank(s) w/ riser, working external gauges & two good 4" valves. Fill w/ 2% KCl city water or filtered water. Refer to frac job design for exact volume and number of tanks.

Pull Tubing, Isolate Zone

- MIRU workover rig.
- 2. TOH w/ 2 3/8" production tubing.
- 3. RIH w/ RBP, set @ ±1845' KB. Dump 5' sand on top of RBP.
- 4. Load hole with 2% KCl water and pressure test to 3500 psi.
- 5. Spot 100 gal 15% HCl over perfs 1819' 1689' KB.
- 6. Pull tbg above acid and swab fl down to ±1000' KB.

Perf & Frac Upper Fruitland Coal

1. Perforate Upper Fruitland Coal with 3 1/6" casing gun, w/ one select fire shot per foot per Custer Federal No. 1 Density Neutron Log dated 6/5/84 as follows:

1677', 1692', 1703', 1704', 1714', 1731', 1735', 1739', 1745', 1752', 1761', 1767', 1781', 1784', 1796', 1798', 1809', 1812', 1819'; **19 total holes.**

- 2. RD wireline.
- 3. Install wellhead isolation tool.
- 4. RU frac crew. Fracture stimulate the Upper Fruitland Coal formation with Halliburton Delta frac fluid and 60,000 lbs. of 20/40 mesh Brady sand (detail design to be provided).
- 5. Shut well in. RU flowback manifold to test tank. SI well for ± 4 hrs to allow gel to break.
- 6. Blow back on 1/2" positive flow choke, and flow well to clean up.

Test Upper Fruitland Coal

- 1. TIH w/ 2-3/8" tbg. clean out sand to RBP.
- Run production tubing string with MA, SN. Land production tubing with top of MA at or below bottom of Upper Fruitland Coal perfs at approximately 1835' KB (Bottom perf @ 1819' KB).
- 3. Nipple down BOPs. Pick up 11/4" pump and run in hole on rods as follows:

73 ea. 3/4" plain

- 5. Load tbg w/ water and check pump action before RD.
- 6. RD & MOL. Report production until Upper Fruitland Coal test is complete.

Release RBP and Run Production String

- 1. Haul in 20 jts. 2 3/4" tubing.
- 2. MIRU workover rig. TOH w/ rods and pump.
- 3. NDWH, NU BOP's.
- 4. Check for fill and clean out to RBP.
- 5. TIH w/ retrieving head and latch on to RBP. TOH, LD RBP.
- 6. TIH and continue cleaning out well down to ±2500 (as deep as tbg on location allows).
- 7. Run production tubing string with MA, SN. Land production tubing with top of MA at or below bottom of Lower Fruitland Coal perfs at approximately 1970' KB (Bottom perf @ 1954' KB).
- 8. Nipple down BOPs. Pick up 1¼" pump and run in hole on rods as follows:

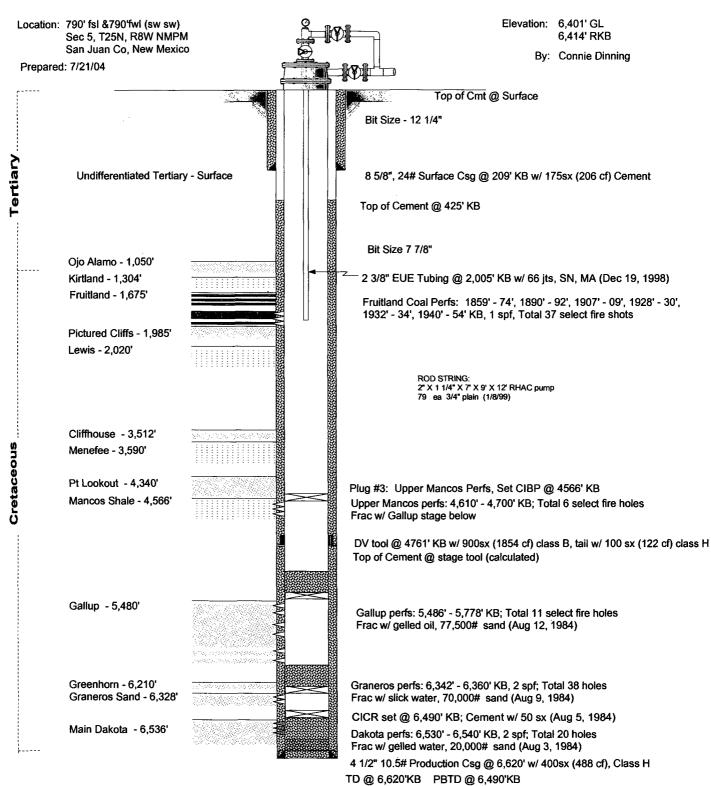
79 ea. 3/4" plain

- 7. Load tbg w/ water and check pump action before RD.
- 8. RD & MOL. Report production for two weeks.

Merrion Oil & Gas Corporation Wellbore Schematic

Custer Federal #1

Current Wellbore Configuration



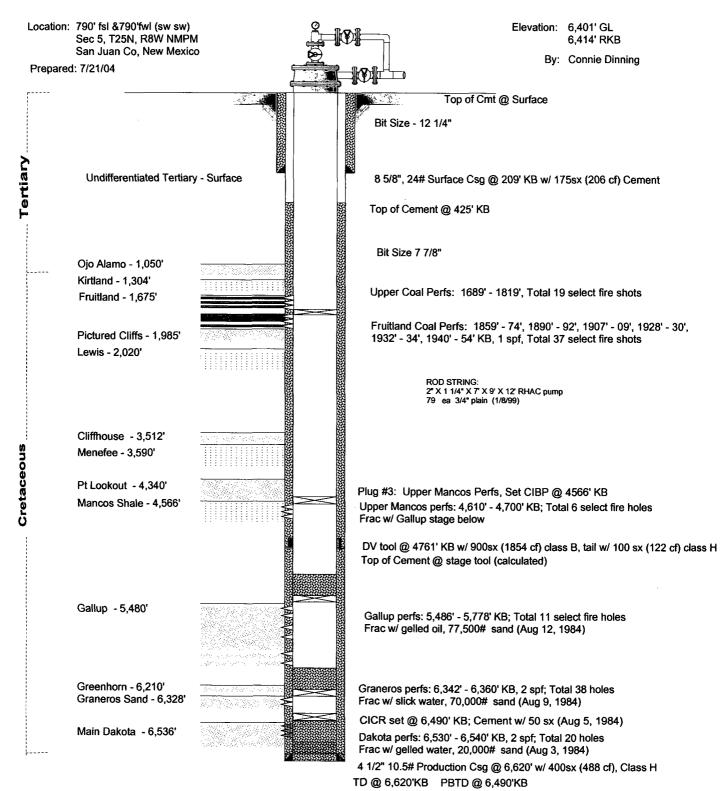
WELL DATA:

SPUD: COMPLETED: May 29, 1984 Sep 6, 1984

Merrion Oil & Gas Corporation Wellbore Schematic

Custer Federal #1

Proposed Wellbore Configuration



WELL DATA:

SPUD: COMPLETED: May 29, 1984 Sep 6, 1984