Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other Instructions on reverse side.

5. Lease Serial No.
NM-16589

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
Shoofly 1

2. Name of Operator
Merrion Oil & Gas Corporation

9. API Well No.
30-045-26133

3a. Address
610 Reilly Avenue, Farmington, NM 87401

3b. Phone No. *(include area code)*
505.324.5300

10. Field and Pool, or Exploratory Area
Dufers Point Gallup Dakota

4b. Location of Well *(Footage, Sec. T., R., M., or Survey Description)*
790' fnl & 1650' fwl
Sec 14, T24N, R8W

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

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Report	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Add Zone
	[ ] Change Plans	[ ] Plug & Abandon	[ ] Temporarily Abandon	Downhole Commingle
	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Merrion Oil and Gas proposes to add the Potwin Pictured Cliffs to the subject wellbore and to downhole commingle production as per the attached procedure. A copy of the NMOCD downhole commingling application is attached.

2005 MAR 16 PM 2 43
RECEIVED
070 FARMINGTON NM

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

DHC 3421

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* Connie S. Dinning — Title Production Engineer

Signature — Date March 15, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by — Title Petr. Eng — Date 3/30/05

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. — Office

Title 18 USC Section 1001 and Title 43 USC Section 1212, make 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 statements or representations as to any matter within its jurisdiction.

NMOCD

Merrion Oil & Gas Corporation

Workover Procedure

November 29, 2004

Well:	**Shoofly No. 1**	**Field:**	N. Dufers Pt. Gallup
Location:	790' fnl, 1650' fwl (nenw) Sec.14, T24N, R8W, NMPM San Juan County, New Mexico	**Elevation:** **By:**	6939' GL, 6952' KB Connie Dinning

Project:

Add Pictured Cliffs/Test, Stimulate Gallup, Commingle

Phase I

Prior to Move In Rig

1. Check wellsite for anchors
2. Haul in 188 jts 2 ⅜" yellow band tbg.
3. Haul in flowback tank.

Clean Up Scale/Stimulate Gallup

1. MIRU workover rig. TOH w/ rods and pump. Visually inspect rods and replace any bad rods.
2. ND WH, NU BOP's.
3. Tag up and tally out of hole w/ 2 ⅜" tbg, laying down. Change out tbg string.
4. Haul old tbg string to Tuboscope for inspection.
5. Tally in hole w/ 3 ⅞" bit and casing scraper on 2 ⅜" tbg to PBTD @ ±5922'.
6. CO to PBTD w/ bailer if necessary. TOH w/ tbg.
7. RIH w/ RCP and set @ ±5540' (above Gallup perfs @ 5551' – 5833').
8. MIRU KPPS and pump 15% HCl w/ 33 ball sealers down tbg as detailed in attached procedure.
9. Shut well in for 30 minutes to let acid soak.
10. Unset RCP and knock balls to bottom, hang tbg @ bottom of perfs.
11. RIH w/ swab and check fluid level.
12. Spot a balanced plug of KPPS mutual solvent treatment across perfs as detailed in attached procedure.
13. POH w/ RCP, shut well in overnight to let treatment soak.
14. RIH w/ production string, open ended MA, SN, land @ ±5840'
15. RUTS. Swab back load, continue until returns are clean.

Put On to Pump

1. ND BOP's, NU WH. Run rods and pump as follows:

    2"X1 ¼" RHAC pump

    43 ea. ¾" plain

    74 ea ⅝" plain

    39 ea. ⅝" scrapered

    77 ea. ¾" scrapered
2. Put well on to pump, check for pump action. RDMOL. Report production on morning report.

Phase II

Frac/Test Pictured Cliffs

1. Order in frac/test tanks w/ risers, working external gages & two good 4" valves on each. Fill w/ 2% KCl city water (refer to fracture stimulation design for required useable volume).
2. MIRU wireline. RIH w/ RBP, set @ ±2500'KB. Dump 5' sand on top of RBP.
3. Load hole w/ 2% KCl and pressure test RBP to 3500 psi.
4. Perforate Pictured Cliffs w/ .34" holes, in the following intervals, per Compensated Density Log dated 12/4/84 as follows:

2145' – 2170'	1 spf	26 holes
2185' – 2205'	1 sp 2 ft	11 holes
2220' – 2244'	1 sp 2 ft	13 holes
Total 50 holes		

5. Install frac valve on top of 4-$^1/_2$" casing.
6. MIRU Frac Company
7. RIH w/ RCP and set @ ±2100' (above Pictured Cliffs perfs @ 2145' – 2244').
8. Pump 15% HCl w/ 75 ball sealers down tbg as detailed in attached procedure.
9. Unset RCP and knock balls to bottom, TOH w/ tbg.
10. Frac the Pictured Cliffs w/ 70Q N_2 foam w/ 20# crosslinked gel and 140,000# 20/40 Brady sand at 40 BPM as per detailed frac schedule attached.
11. RD stimulation company, open well to reserve pit. Flow back overnight.
12. RIH w/ production string, open ended MA, SN, land @ ±2260'
13. RUTS. Swab back load, continue until returns are clean.

Put On to Pump

1. ND BOP's, NU WH. Run rods and pump as follows:
   2"X1 ¼" RHAC pump
   43 ea. ¾" plain
   47 ea. ¾" scrapered
2. Put on to pump, check for pump action, RDMOL. Report prod. on morning report.

Phase III

Commingle Gallup/Pictured Cliffs

1. MIRU Workover Rig. TOH w/ rods and pump.
2. NDWH, NU BOP's. CO w/ N2 or air to RBP @ 2500' KB. TOH w/ 2 ⅜ tbg.
3. MIRU wireline. Release RBP and POH.
4. RIH w/ production string, open ended MA, SN, land @ ±5840'.
5. ND BOP's, NU WH. Run rods and pump as follows:
   2"X1 ¼" RHAC pump
   43 ea. ¾" plain
   74 ea ⅝" plain
   39 ea. ⅝" scrapered
   77 ea. ¾" scrapered

Put well on to pump, check for pump action. RDMOL. Report production on morning report.

Merrion Oil & Gas Corporation
Wellbore Schematic

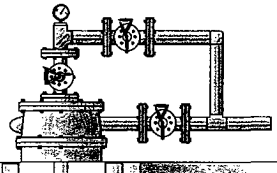
Shoofly #1

Current Wellbore Configuration

Location: 790' fnl & 1650'fwl (ne nw)
Sec 14, T24N, R8W NMPM
San Juan Co, New Mexico
Prepared: November 23, 2004

Elevation: 6,939' GL
6,952' RKB

By: Connie Dinning



Top of Cmt @ Surface

Surface - Undif Tertiary

Bit Size - 12 1/4"

Tertiary

8 5/8", 24# Surface Csg @ 222' KB w/ 175sx (207 cf) Class B

Bit Size 7 7/8"

Top of Cement @ 800' (Temperature Survey)

Ojo Alamo - 1445'

Kirtland - 1600'

Fruitland - 1870'

ROD STRING:
2"X1/1/4"RHAC pump
40 ea. 3/4" plain
74 ea. 5/8" plain
39 ea. 5/8" scrapered
77 ea. 3/4" scrapered

Pictured Cliffs - 2142'

Chacra - 2578'

Cretaceous

Cliffhouse - 3650'

Menefee - 3708'

Pt Lookout - 4607'

Mancos Shale - 4760'

Stage tool @ 4,971'KB w/ 700sx (1442 cu ft) Class B, tail in w/ 100 sx (122 cu. ft) Class H

Top of Cement Calc @ 4915'KB (assume 8 1/4" hole size)

2 3/8" EUE Tubing @ 5,872' KB w/ 169 joints w/ SN, 22' MA (1/18/85) Later pulling job says 177 jts, tally next pullling job

Gallup - 5540'

Gallup perfs: 5551'-5833' KB; Total 221 select fire holes
Frac w/ Gelled Oil, 127500# 20/40 sand (12/21/84)

4 1/2" 10.5# K-55 Production Csg @ 5,966'KB w/ 225 sx (275 cf) Class H
TD @ 5,970'KB PBTD @ 5,922'KB

Tbg Cap = 0.00387 bbl/ft
Csg Cap = 0.0159 bbl/ft
Tbg/Csg Annulus = 0.0105 bbl/ft