

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other _____		5. Lease Serial No. SF-078899
2. Name of Operator Merrion Oil & Gas Corporation		6. If Indian, Allottee or Tribe Name
3a. Address 610 Reilly Avenue, Farmington, NM 87401	3b. Phone No. (include area code) 505.324.5300	7. If Unit or CA/Agreement, Name and/or No.
4b. Location of Well (Footage, Sec. T., R., M., or Survey Description) 835' fml & 1235' fwl (nw nw) Section, 20, T26N, R11W, NMPM		8. Well Name and No. Blackrock D No. 1R
		9. API Well No. 30-045-32217
		10. Field and Pool, or Exploratory Area Gallegos Gallup/Basin Dakota
		11. County or Parish, State San Juan County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Report	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug & Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 & Gas hereby requests approval to change our proposed casing and cementing program as follows:

SIZE OF HOLE	SIZE & GRAD OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4 "	8 5/8" J55	24 ppf	~320' KB	264-cuft (100% excess)
7 7/8 "	4 1/2" J55	11.6 ppf	~6100' KB	2205-cuft (60% excess)

The production string of 4 1/2" casing will be cemented in two-stages with a DV tool set into the Mancos top at a depth of ~4,130' KB. The first stage will cover the Dakota and Gallup formations. The second stage will cement from the Mancos top to the surface. The above calculations represent ~60% excess volume over a gage hole volume. Actual volumes will be adjusted based on actual conditions on-site at time of cementing.

A cementing chronology will be recorded and submitted to the BLM. The production casing will be centralized through the Dakota and Gallup intervals and above and below the DV tool.

The well will be drilled with drilling mud; no air drilling will be done.

Please direct any questions to Steve Dunn, 505.324.5312

Drilling is anticipated to begin on Saturday, July 9, 2005 using DJ Drilling Rig No. 2.

Minimum surface casing setting depth required is 350' to properly isolate the Ojo Alamo fm. (302')

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Steven S. Dunn	Title Drilling & Production Manager
Signature	Date July 5, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title Petr. Eng	Date 7/6/05
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