| Submit 3 Copies 7 Office  | To Appropriate District  | State of Nev                 | /                        | /                                  | Form C-103                   |  |
|---|--|------------------------------|--------------------------|------------------------------------|------------------------------|--|
| District I  | District I 1625 N. French Dr., Hobbs, NM 88240 Energy, Minerals and Natural Resources  |                              |                          |                                    | May 27, 2004 WELL API NO.    |  |
| District II   |  | OII CONSEDUAT                | TION DIVISION            | 30-039-2922                        |                              |  |
| 1301 W. Grand A<br>District III   | OIL CONSERVATION DIVISION District III  1220 South St. Francis Dr.   |                              |                          | 5. Indicate Type of Lease          |                              |  |
| 1000 Rio Brazos Rd., Aztec, NM 87410  |  |                              | STATE                    |                                    |                              |  |
| <u>District IV</u><br>1220 S. St. Franci  | s Dr., Santa Fe, NM  | Danta 1 0, 14                | 141 07505                | 6. State Oil &                     | Gas Lease No.                |  |
| 87505   |  |                              |                          |                                    |                              |  |
| SUNDRY NOTICES AND REPORTS ON WELLS 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4   |  |                              |                          |                                    | e or Unit Agreement Name     |  |
| DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH   |  |                              |                          | CHUBBY HUBBY                       |                              |  |
| PROPOSALS.)  1. Type of Well: Oil Well Gas Well Other   |  |                              |                          | 8. Well Number                     |                              |  |
|   |  |                              |                          | 001                                |                              |  |
| 2. Name of Operator 9. OGRID Nu   |  |                              |                          |                                    | mber                         |  |
| MERRION OIL & GAS CORPORATION  3. Address of Operator   |  |                              |                          | 014634<br>10. Pool name or Wildcat |                              |  |
| I   | •  | INGTON, NM 87401 🤏           | Se or a of the           | 10. Tool hank                      | of Wildcat                   |  |
| 4. Well Location  |  |                              |                          |                                    |                              |  |
|   |  | 885 feet from the            | North line and 16        | feet from                          | the West line                |  |
| Section   | on 2   | Township 24N I               | Range 02W N              | MPM Rio Arr                        |                              |  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)  |  |                              |                          |                                    |                              |  |
| 7328' GR  Pit or Below-grade Tank Application  or Closure   |  |                              |                          |                                    |                              |  |
|   |  |                              |                          |                                    |                              |  |
|   |  |                              |                          |                                    |                              |  |
| Pit Liner Thickness: mil Below-Grade Tank: Volumebbls; Construction Material  |  |                              |                          |                                    |                              |  |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data  |  |                              |                          |                                    |                              |  |
| NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:   |  |                              |                          |                                    |                              |  |
| PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING  |  |                              |                          |                                    |                              |  |
|   |  |                              |                          | •                                  |                              |  |
| PULL OR ALTER CASING  |  |                              |                          |                                    |                              |  |
| OTHER:  |  |                              | OTHER: Recom             | plete Nacimient                    | o 🛛                          |  |
| 13. 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 recompletion.  |  |                              |                          |                                    |                              |  |
| of recompletion.  |  |                              |                          |                                    |                              |  |
| 7/26/05   |  |                              |                          | pit and flowback                   | tank. Rigged up rig 7/26/05. |  |
|   | ND WH and NU I   | BOP. Secured well and SIFN   | •                        |                                    |                              |  |
| 7/27/05   | RII Black Warrion  | · Wireline Service RIH and s | et RRP @ 3000° POOH      | Dumned 2 sys                       | sand on ton on PRD Pan       |  |
| 1121103   | 7/27/05 RU Black Warrior Wireline Service. RIH and set RBP @ 3000'. POOH. Dumped 2 sxs sand on top on RBP. Ran GR/CCL log from 2897' to 1000'. Hauled in tbg. PU 82 joints 2-3/8" tbg and RIH to ~2700'. Circulated hole full of |                              |                          |                                    |                              |  |
|   | 2% KCl water. TOOH. Closed blind rams and tested casing to 3000 psi held OK. BWWS spotted 15 gals 15% HCl  |                              |                          |                                    |                              |  |
|   | @ 2390'. RIH and perforated 2385'-2395' (4 spf as per Wright Way #1 log). POOH and RD BWWS. PU 7" casing   |                              |                          |                                    |                              |  |
| packer and TIH with 71 joints 2-3/8" tbg. Set packer @ 2354'. RU Kep Pressure Pumping Service. Established rate down tbg with 2% KCl water. Pumped 500 gals 15% HCl @ 4.5 BPM - 1550 psi. Displaced with 10 bbls 2% KCl |  |                              |                          |                                    |                              |  |
| water @ 4.5 BPM - 1550 psi. ISIP 400 psi. 0 psi in 1 min. Released packer. Secured well and SDFN  |  |                              |                          |                                    |                              |  |
|   |  |                              |                          |                                    |                              |  |
| ***CONTINUED OTHER SIDE ***   |  |                              |                          |                                    |                              |  |
|   |  |                              |                          |                                    |                              |  |
| I hereby certify/that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-   |  |                              |                          |                                    |                              |  |
| grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan.  |  |                              |                          |                                    |                              |  |
| SIGNATURE Drlg & Prod Manager DATE 8/04/2005  |  |                              |                          |                                    |                              |  |
|   |  |                              | - 11g of 1 100 Minningel |                                    | DILLE GIVTIEUUS              |  |
| Type or print na  |  | DUNN E-mail address:         | sdunn@merrion.bz         | Telephone No.                      | (505) 324-5300               |  |
| For State Use Only  DEPUTY OIL & GAS INSPECTOR, DIST  ALIG 0 5 2005   |  |                              |                          |                                    |                              |  |
| APPROVED B  | Y: /=  | TIT                          | LE                       |                                    | DATE AUG 0 5 2005            |  |
|   | Conditions of Approvat (if any): Symmit L-102 for Nacintento   |                              |                          |                                    |                              |  |
|   |  |                              |                          |                                    |                              |  |