



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
 Oil Well Gas Well Other
 2. Name of Operator **MERRION OIL & GAS CORPORATION**

3a. Address **610 REILLY AVENUE, FARMINGTON, NM 87401**
 3b. Phone No. (include area code) **505-324-5300**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**835' FNL & 1235' FWL (NW NW)
 Section 20, T26N, R11W, NMPM**

5. Lease Serial No.
SF-078899
 6. If Indian, Allottee or Tribe Name

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

 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 DK
 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 | | | | |
|---|---|---|--|---|--|
| <input 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 checked="" 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 Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other COMPLETION | |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and 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 recomplate 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 recomplate 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.)

8/27/05 **MIRU Hurricane Well Service #6 on 8/27/05. ND WH and NU BOP. Spot tubing trailer, pump, pit and flowback tank. Remove thread protectors and tally tubing. PU with 3-7/8" bit, casing scraper and RIH on 2-3/8" tubing. Tag up at 4050'. PU power swivel and break circulation with 2% KCl water. CO down to DV tool at 4121', drilled out DV tool. Continue TH, CO to PBTD at 6139'. Circulate hole clean. TOH with 20 stands. SWI, secure location and SDON.**

8/30/05 **Finish TOH with tubing & casing scraper/bit. RU Black Warrior Wireline Service, RIH with GR/CCL. Run log from PBTD (6139') to 4100'. PU Weatherford Arrow-set packer and RIH on 2-3/8" tubing to 6110'. RU BJ Services. Held safety meeting & pressure test pumps and lines to 5000 psi. Spot 20 gals of 15% HCl from 6110' to 6076'. Pull up to 6050' and set packer. ND BOP & NU WH. Land tubing in well head with 10K tension on packer. RIH with 1-11/16" strip gun and perforate Burro Canyon from 6099' - 6105' (4 spf for a total of 28 holes, EHD: 0.24"). RD wireline, no noticeable flow. RU BJ and break down formation, had to pressure up to 4000 psi four times before finally breaking down formation at 3750 psi, continued pumping into formation. Worked rate up to 4 BPM @ 2700 psi. Pumped a total of 20 bbls of 2% KCl water. ISIP: 1358 psi, 5 mins: 850 psi. RD BJ Services and RU blow back lines/flow back tank. Opened well @ 15:30 hrs with ~450 psi, well blew down immediately. After ~2 minutes well started flowing, pinched valve holding 100 psi. Let well flow to flowback tank for 1.5 hrs. Pressure fell to 50 psi, but continued to flow. At 17:00 hrs opened valve (wide open) but well continued to flow for .5 hr. SWI, secure location and SDON.**

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

CONNIE S. DINNING

Title **ENGINEER**

Signature

Date

09/15/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

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.

Title

Office

Date **SEP 19 2005**

FARMINGTON FIELD OFFICE

BY

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. 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.

(Instructions on page 2)

NMOC

8/31/05 Found well with 150 psi on tubing. Open valve to flowback tank (holding 100 psi back pressure). Let well flow for ½ hr, then opened well thru 2". After 1 hr, well still flowing – small stream of water. RUTS. RIH with swab. Made 6 runs. Fluid level dropping with each run. Down to 2700' after last run. Recovered ~ 34 bbls of fluid. SD for 1 hr. RIH and tagged fluid at 2400' (1.2 bbls in 1 hr). Made 2 more runs and well started flowing. Noticed casing had pressure. Installed pressure gauge and discovered that casing had 400 psi – suspect packer leaking. Opened casing thru 2" – blew down in approximately 10 min. Tubing quit flowing. SWI, secure location and SDON. Plan to test well thru separator in morning.

9/1/05 Found well w/ 800 psi on tubing, 0 psi on casing (suspect casing pressure was due to thermal expansion, not a packer leak). Bleed off pressure, well bled down to slight vent in 10 min. ND WH. Release packer and NU BOP. RIH and make swab run, fluid level at surface. Re-set packer and continue swabbing. Made 11 runs. Fluid level down to 5800'. Recovered ~ 37 bbls of fluid. SD for 1 hr. Pitot test gas flow out 1" (~13 mcf). RIH w/ swab and hit fluid level at 3500' (~ 9 bbls of water). Swab well back down to 5800'. SD for 1 hr. RIH w/ swab and hit fluid level at 3700' (~8 bbls of water). RD swab equipment. Release packer and TOH.

9/2/05 RU Black Warrior Wireline & RIH w/ 4-1/2" CIBP. Set CIBP at 6080'. RIH w/ 4-1/2" Weatherford Arrowset packer. Set packer at 6070'. RU BJ Services and hold safety meeting. Pressure test pumps and lines to 5000 psi. Pressure test CIBP to 4000 psi – held OK. Release packer and spot 40 gal of 15% HCl. Pull up to 6099' and set packer. RIH w/ 1-11/16" strip gun and perforate the Lower Dakota from 6055' – 6060', 4 spf for a total of 24 holes, EHD: 0.24". RU BJ and break down formation at 2811 psi while pumping 1.8 bpm. Work rate up to 4 bpm, 2560 psi. Pumped a total of 15 bbls of 2% KCl. ISIP: 1423 psi, 5 min: 924 psi, open well thru 2" and blew down in 5 min. RD BJ and RUTS. Made 5 runs, FL down to 3000'. SD for 15 min and FL came up to 2000'. Made 1 more run and well started flowing. After 30 min., measured flow out 2" (3 oz): 264 mcf. Recovered at total of 35 bbls. Left well flowing to flowback tank.

9/3/05 Found well flowing 2 oz out 2": 217 mcf. Made ~3.5 bbls of fluid to tank overnight. RIH w/ swab, estimate fluid level at 3800'. Pull swab and recover ~ 3 bbls. After 1 hr well still flowing 2 oz out 2": 217 mcf. Made 2 more runs, fluid level at 4800' then down to 5200'. Recovered ~ 0.50 bbls on each run. Well still flowing at 217 mcf. RD swab equipment. Release packer and TOH. SWI, secure location and SD until Tuesday (after Holiday). Schedule to frac Dakota on Tuesday 9/6/05.

9/6/05 Found well w/ 750 psi. Bleed off pressure to flowback tank. RU Black Warrior Wireline & RIH with RBP. Set RBP at 6020'. Pressure test RBP – held OK. RIH w/ dump bailer and dump 5 gal of sand on top of RBP. RIH w/ dump bailer and spot 15 gal of 15% HCl across Dakota interval (5954' – 5983'). RIH w/ 3-1/8" perf gun and perforate the Dakota 5954' – 5983', 2 spf for a total of 60 holes, EHD: 0.34". RD BWWC. RU BJ Services and hold safety meeting. Pressure test pumps and lines to 5000 psi. Frac well w/ 75,250# of 20/40 Super LC in 20# x-link gel. Pump 11,000 gal pad of 20# x-link gel. Pumped sand in 1, 2, 3 & 4 ppg stages. ISIP: 1,540 psi. AIR: 31.0 bpm, MIR: 31.0 bpm, ATP: 2,150 psi, MTP: 2,200 psi. Job complete at 15:10 hrs. 9/6/05. Total fluid pumped: 990 bbls. SWI & RD BJ Services. Open well thru ¼" choke at 17:00 hrs 9/6/05. Well was dead.

9/7/05 Found well w/ 0 psi. TIH w/ 3-7/8" bit on 2-3/8" tubing. Tag up on sand fill at 5842'. PU power swivel and break circulation w/ 2% KCl water. Clean out sand/fill to ~ 6000'. Pull up to 5680' and shut down for 1 hr. RIH to 6000', no sand/fill. TOH. SWI & secure location. Ready location for frac in morning.

9/8/05 Found well with 0 psi. RU BWWC & RIH with RBP set RBP at 5350' KB. Pressure test RBP - held OK. RIH with dump bailer and dump 5 gals of sand on top of RBP. RIH with 3-1/8" select fire perforate gun and perforate the Gallup formation at 1 spf at the following depths: 4932', 45', 54', 71', 96', 5046', 47', 49', 56', 69', 5107', 24', 33', 47', 71', 72', 73', 74', 75', 76', 77', 78', 79', 80', 87', 89', 93', 97' & 5210' (Total of 29 holes, EHD: 0.34"). RD BWWC, RIH with 4-1/2" packer set at 4807' KB. RU BJ Services & hold safety meeting. Pressure test pumps and lines to 5200 psi. Ball off Gallup formation with 45 each 1.3 S.G. ball sealers and 500 gals of 15% HCl. Saw break at 2950 psi. Good ball action up to 3900 psi did not get complete ball off. Bleed off pressure & release packer. TIH to 5230' (to knock off balls). TOH. RU Stinger isolation tool. RU BJ frac crew. Pumped 17,000 gals of 20# x-link gel pad in 60 Quality foam. Frac well with 153,000# of 20/40 Brady in 60 Quality, 20# x-link foam. Pumped sand in 1, 2, 3 & 4 ppg stages. ISIP: 2100 psi. SWI & RD BJ Services. AIR- 40 bpm, MIR- 40 bpm, ATP-2100 psi, MTP-2300 psi. Job complete at 15:05 hrs. 9/8/05. Total fluid pumped: 605 bbls. Total nitrogen pumped: 1,205,617 scf. RU flow back manifold and lines to flowback tank. Open well at 17:00 hrs 9/8/05. Well flowing back foam/sand. Turn over to night watch.

9/9/05 Pressure steadily fell throughout the night down to 160 psi. From 04:00 hrs to 08:00 hrs well continued to flow at 160 psi. Made ~ 150 bbls of fluid overnight. Very little sand, mostly water. Well continued to flow back until 14:00 hrs, pressure up to 180 psi. Made an additional 122 bbls of fluid. Starting to make oil. Remove ¼" choke and let well flow out 2" until pressure down to 0 psi. RIH w/ 3-7/8" bit on 2-3/8" tubing. Tag up on sand at 5260' KB. TOH. SWI, secure location and SD for weekend. Plan to run bailer on Monday morning.

9/12/05 Found well with 700 psi. Bleed off pressure slowly to flow back tank. RIH with bailer. Tag up on sand fill at 5186'. Clean out frac sand down to 5280' before bailer quit working. TOH and clean sand out of tubing. TIH and tag up on sand at 5280'. Clean out to 5288' before bailer quit working, appears to be very hard. Made multiple attempts to clean out but only able to get down to 5294'. TOH w/ bailer and clean sand out of tubing. TIH and lay down extra jts of tubing. Will land tubing in morning & run rods. SWI.

9/13/05 Found well with 270 psi, bleed off pressure slowly to flow back tank. TIH with cut off tail joint, perfd sub, seating nipple and 161 joints of tubing, landed tubing at 5252' KB, seating nipple at 5232' KB. ND BOP and NU WH. RIH with 2" x 1-1/4" x 12' RHAC pump on 40 x ¾" plain rods, 121 x 5/8" plain rods, 46 x ¾" scraped rods, 1 x 6' and 1 x 2' pony subs. Install polish rod and stuffing box. NU horse head and bridle. Space out pump and hang off rods. Jeremy started pumping unit - unit is out of balance. SD pumping unit. Will load tubing and rig down in morning (if pumping OK) and move to Nelson A-2.

9/14/05 Load tubing with water and start pumping unit, pumped OK. RDMOL. Turn well over to production to test Gallup formation.