

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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)
1525' FNL & 930' FWL
SECTION 9, T26N, R12W (SW NW)

5. Lease Serial No.
SF-078944-A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NELSON A No. 2

9. API Well No.
30-045-32215

10. Field and Pool, or Exploratory Area
GALLEGOS GALLUP/BASIN DK

11. County or Parish, State
SAN JUAN, NM

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 recompleate 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 recompleation 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.)

Sept. 15, 2005 MIRU Hurricane Well Service Rig No. 6 on 9/14/05. 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 3916'. PU power swivel and break circulation with 2% KCl water. CO down to DV tool at 3991', drill out DV tool, continue TIH. Running out of daylight. Will finish cleaning out to PBTD in morning. SWI, secure location and SDON.

Sept. 16, 2005 Finish cleaning out to PBTD at 6086'. Circulate hole clean w/ 2% KCL. TOH. RU Black Warrior Wireline Services. RIH w/ GR/CCL. Run log from plug back TD to 3970'. RIH w/ 3-1/8" casing gun and perforate the Burro Canyon Formation at the following depths: 5984' - 5990', 4 spf for a total of 28 holes, EHD: 0.34". RD BWWC. RIH w/ Weatherford Arrowset packer on 2-3/8" tubing. Set packer at 5955'. RU BJ Services. Pressure test pumps & lines to 5200 psi. Breakdown perforations with water at 3650 psi while pumping 1/2 BPM. Open unloader on packer and pump 250 gals of 15% HCl acid to bottom of tubing. Shut unloader on packer and pump acid into perforations. Worked rate up to 4 BPM @ 4000 psi. ISIP 2600 psi, 5 mins 2205 psi, 10 mins 1920 psi. Slowly release pressure, bleed down to 0 psi in several minutes, did not flow. Shut well in. SDON.

CONTINUED OTHER SIDE

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

STEVEN S. DUNN

Title DRILLING & PRODUCTION MANAGER

Signature

Date

09/26/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Title

Date

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

SEP 28 2005

FARMINGTON FIELD OFFICE

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

- Sept. 17, 2005** Found well with 0 psi. RUTS. Swab back ~27 bbls of fluid. At ~13:00 swab well, well not making any water or gas. SD and check fluid level every hr for 3 hrs, still no fluid or gas. Secure location & shut down.
- Sept. 20, 2005** Found well with 0 psi. RIH with swab & found FL @ 1500'. RD swab equipment: RIH / Wire line set RBP at 5960'. POH. Pressure test RBP to 1500 psi - held OK. RIH with 3-1/8" casing gun, perforate from 5922' to 5926' (4 spf - 20 holes - EHD: 0.34"). RU BJ Services, hold safety meeting and pressure test pumps and lines. Break down formation at 3000 psi while pumping 1 BPM, shut down open unloader on packer. Pump 250 gals of 15% HCl of acid then 14.7 bbls of water. SD and close unloader on packer. Displace acid into formation with another 9 bbls of water at 3 BPM and 2349 psi. Shut down - 5 mins: 1630 psi; 10 mins: 1475 psi; 15 mins: 1429 psi. SDON.
- Sept. 21, 2005** Found well with 0 psi. RIH with swab and found fluid level at 500'. Swab well down to seating nipple at 5856'. SD for 1 hr. RIH and found fluid level at 60' above seating nipple (~.25 BPH), SD for additional hr. RIH to seating nipple, no fluid, no sign of gas. Recovered approximately 50 bbls of fluid while swabbing. No gas, very little fluid entry. Secure location & SDON.
- Sept. 22, 2005** Found well with 15 psi. Release packer. TOH, TIH with retrieving head on 2-3/8" tubing. Latch onto RBP at 5960' and open unloader. Let well equalize. TOH and lay down RBP. RU Black Warrior Wireline Services. RIH with CIBP set at 5910'. Load well with 2% KCl water & pressure test to 1500 psi - held OK. RIH with 3-1/8" casing gun and perforate the Dakota formation from 5850'-5058' (4 spf - total of 36 holes - EHD: 0.34"). RD BWWC. RD floor and ready location for frac. Frac scheduled 9/23/05. SWI, secure location and SD.
- Sept. 24, 2005** RU flow back lines with 1/4" choke to flow back tank. RU Stinger isolation tool. RU BJ Services, pressure test pumps and lines to 6000 psi. Frac well with 40,000# of 20/40 Super LC in 20# x-link gel. Pump 16,800 gal pad of 20# x-link gel with 2 different slugs of 500# - 1/4# stages. Extended pad and pumped sand slugs because of high treating pressure. Started frac job after pressure fell below 3600 psi. Pumped sand in 1, 2, 3 & 4 ppg stages. ISIP: 2,260 psi, 5 min: 2,044 psi, 10 min: 1,961 psi, 15 min: 1,878 psi. AIR: 25.0 bpm, MIR: 9.5 bpm, ATP: 3,300 psi, MTP: 4,050 psi. Job complete at 17:30 hrs. 9/23/05. Total fluid pumped: 945 bbls. SWI & RD BJ Services. Open well thru 1/4" choke at 18:45 hrs 9/23/05. Well flowing back broken gel. Turn over to night watch. Well flowed back until midnight. SWI.