

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-33047
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 No. HI ROLL No. 3R
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1110' FNL & 1580' FEL SECTION 35, T27N, R13W		9. API Well No. 30-045-29977
		10. Field and Pool, or Exploratory Area BASIN FRUITLAND COAL
		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 PLUG PC &
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	RECOMPLICATE
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	BS FRTLND


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 recompleat 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 recompleat 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.)

9/01/05 MIRU Jimmy's Swabbing Service. Had to wait for anchors to be set. ND bridle and horse head. Lay down polish rod and stuffing box. TOH, laying down rod and pump plunger. Remove well head and install stripping head. TOH with 40 jts of 2-3/8" tubing and pump barrel. PU 4-1/2" packer and TIH. Set packer at 1030'. RU Key Pressure Pumping Services. Pump 10 bbls of water into perfs and establish an injection rate of 3 bpm at 200 psi. SD and mix and pump 50 sxs (59 cu.ft.) of Class "B" cement w/ 2% CaCl2. Displace cement below packer. Hesitate squeeze cement into perfs. Max pressure was 1800 psi. Bleed off pressure, well not flowing back. Release packer and TOH. Remove stripping head. TIH w/ 1 jt and install donut in well head. NU WH and install valve on top. RU KPPS and pressure back up on cement. Pressured back up to 1100 psi - holding good. Shut well in holding 1100 psi. RD KPPS. SDON.

9/02/05 Bleed pressure off well. PU 3-7/8" bit, casing scraper and 4 each 3-1/8" DC's and RIH on 2-3/8". Tag up on cement at 1160'. PU power swivel (had a lot of rigging up to do). Break circulation w/ produced water and drill out cement. Drill out cement and clean out to PBTD at 1350'. Circulate hole clean. Lay down 4 jts. SWI, secure location and shut down for Holiday.

CONTINUED OTHER SIDE

PLEASE SUBMIT COMPLETION REPORT FOR BASIN FRUITLAND COAL.

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 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 OCT 04 2005
	Office 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)

NMOCD

- 9/06/05** Pressure test casing to 1000 psi – held OK. TOH, laying down tubing, drill collars and bit. ND stripping head. Install donut and NU WH w/ valve on top. Loosen tubing head. Haul DC's back to town. RD & MOL.
- 9/21/05** Install 4-1/2", 5K frac valve. RU Black Warrior Wireline Service. RIH with 4 1/2" RBP set at 1230' KB. RIH with 3-1/8" casing gun and perforate the Fruitland Coal from 1211'-1226' (3 spf - total of 45 holes - EHD: 0.34"). RD BWWC. Spot and fill 3 each 400 bbl frac tanks with 2% KCl water (city water). SWI.
- 9/23/05** RU Halliburton Energy Services. Pressure test pumps and lines to 6000#. Pumped 11,000 gals of 20# x-link gel pad. Frac well with 60,000# of 20/40 Brady sand in 20# x-link gel (Delta 140 Fluid). Pumped sand in 1, 2, 3 & 4 ppg stages with sand wedge additive. AIR: 30.1 bpm, MIR: 31.0 bpm, ATP: 1,525#, MTP: 1,870#. Job complete @ 09:00 hrs 9/23/05. Total fluid pumped: 832 bbls. Opened well thru 1/4" choke to flowback tank at 11:00 hrs 9/23/05. Well flowed back broken gel with little to no sand. Well logged off after flowing for 3 hours. Secure location & shut well in and wait for JC Well Service to clean out well.

