

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-78899 |
| 2. Name of Operator Merriam 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) 835 880' fml & 1235' fwl Sec 20, T26N, R12W | | 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 |

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 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 Report | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug & Abandon | <input type="checkbox"/> Temporarily Abandon | Downhole Commingle |
| | <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.)

Merriam Oil and Gas has completed production testing for the subject well. Based on these tests, we propose the following production allocation percentages:

| | <u>Gas</u> | <u>Oil</u> | <u>Water</u> |
|--------|-----------------|---------------|----------------|
| Gallup | 65% (86 MCFD) | 100% (5 BOPD) | 100% (2 BWPD*) |
| Dakota | 35% (46 MCFD) | 0% (0 BOPD) | 0% (0 BWPD) |
| Total | 100% (132 MCFD) | 100% (5 BOPD) | 100% (2 BWPD*) |

*Load was not fully recovered at the time of the tests, the well may not make water

| | | |
|--|--|------------------------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Connie S. Dinning | | Title Production Engineer |
| Signature | | Date November 18, 2005 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------------|-----------------------|
| Approved by | Title PEER ENG | Date 11/23/05 |
| 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 BLM - FFO - |

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