Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

WELL API NO. **30-045-31280**

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: **U-DA-WELL**

1. Type of Well: Oil Well [ ] Gas Well [X] Other

2. Name of Operator **MERRION OIL & GAS CORPORATION (014634)**

8. Well No. **002**

3. Address of Operator **610 Reilly Avenue, Farmington, New Mexico 87401-2634**

9. Pool name or Wildcat **BASIN FRUITLAND (71629)**

4. Well Location

Unit Letter **B** : **1055** feet from the **North** line and **2221** feet from the **East** line

Section **2** Township **31N** Range **8W** NMPM **San Juan**, County

10. Elevation *(Show whether DR, RKB, RT, GR, etc.)* **6710' GR**

11. 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	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPLETION	[ ]	CASING TEST AND CEMENT JOB	[ ]		
OTHER:	[ ]			OTHER: **Completion progress report**	[X]		

12. 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 recompilation.

5/19/03 Found well flowing at 2407 MCFd at 132 psi. Opened well to burn pit (slowly). Stage in hole starting at 3419'. Difficult time getting full returns. Well finally unloaded. Brought big slug full of coal with chunks up to 3" in diameter. Well flowed hard for approx. 25 mins. Continued cleaning out with air/mist (15 BWPH, 1.5 gal of soap/hr, ½ gal of shale inhibitor). R&R pipe from 3419'-3451' (2nd coal). After 2 hrs well had cleaned up. PU next joint and immediately hit fill. Worked pipe down to 3475' (top of 3rd coal) but coal kept coming in. Well making heavy to medium coal fines all day. Pump 2 soap sweeps, cut mist and dry up hole. Pull up to casing. Secure location and turn flow down sales line. After 1 hour flow rate was 2240 MCFd. Secure location and SDON.

5/20/03 Found well flowing at 2204 MCFd at 132 psi. Opened well to burn pit (slowly). Stage in hole starting at 3380'. CO with air/mist (2400 SCFM, 15 BWPH, 1.5 gal of soap/hr, ½ gal of shale inhibitor). R&R pipe from 3451'-3482' (3rd coal) all day. Well making heavy coal fines all day. Would drill thru fill down to 3482' then pull up to 3451' and coal would immediately fill back in. Continued R&R pipe from 3451'-3482', circulating pressure at end of day indicated that well was trying to clean up (425 psi). Pump 2 soap sweeps, cut mist and dry up hole. Pull up to casing. Secure location and turn flow down sales line. After 1 hr flow rate was 2446 MCFd, 144 psi. Secure location and SDON.

CONTINUED OTHER SIDE

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE _____ TITLE **Drlg & Prod Manager** DATE **6/3/03**

Type or print name **Steven S. Dunn** Telephone No. **(505) 327-9801**

(This space for State use)

APPPROVED BY _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUN - 4 2003

Conditions of approval, if any:

5/21/03 Found well flowing at 1505 MCFd at 144 psi. Opened well to burn pit (slowly). Stage in hole starting at 3380'. CO with air/mist (2400 SCFM, 15 BWPH, 1.5 gal of soap/hr, and ½ gal of shale inhibitor). R&R pipe from 3451'-3482' (3rd coal). Had bridges from 3451'-3456' and 3477'-3482'. Well making heavy coal, large (3"-2" diameter down to coal fines). Well "ran coal" for 6 hours while R&R pipe. Worked thru same bridges all day. Last 2 hours well started to clean up. Continued to R&R pipe from 3452'-3482'. Cut mist and dry up hole. Pull up to casing. Secure location and turn flow down sales line. Sales line had bleed down to zero, had to "pry" motor valve open. After 30 mins flow rate was 590 MCFd, 114 psi (and climbing). Secure location and SDON.

5/22/03 Found well flowing at 3011 MCFd at 132 psi. Opened well to burn pit (slowly). Stage in hole starting at 3380', using air/mist (2,400 scfm, 15 BWPH, 1.5 gal of soap/hr, and ½ gal of shale inhibitor). Pipe went all the way back down to 3482' (3rd coal). Still hit bridges at 3466' & 3475'. PU next joint and start cleaning out. Well making heavy coal from 3" chunks down to coal fines. R&R pipe from 3482'-3492'. Hole caved in and stuck pipe. Equalized and shut in for ~20 minutes before becoming free. LD joint. R&R pipe from 3452'-3482' to clean up bridges. PU next jt (again) and continue cleaning out 3rd coal. Made it down to 3497'. Well continued to make heavy coal for remainder of day. Cut mist and dry up hole. Pull up to casing and flow well on its own. Secure location and turn flow down sales line. After 30 mins flow rate was 2747 MCFd, 131 psi (and climbing). Secure location and SD for weekend & Holiday.

5/27/03 Found well flowing at 3158 MCFd at 137 psi. Opened well to burn pit (slowly). Stage in hole starting at 3380' using air/mist (2400 SCFM, 15 BW/hr, 1.5 gal of soap/hr, 1/2 gal of shale inhibitor). Pipe went all the way back down to 3482' (3rd coal). Well was fairly clean. PU next 1 joint and start cleaning out. CO down to ~ 3500'. Circulating pressure started to increase and pipe started to torque up. LD joint, well started making heavy coal from 2" chunks down to coal fines. Blow well from 3482'. Well running heavy coal for ~ 4 hours while R&R pipe from 3451'-3482'. Well continued to make heavy coal for remainder of day. Cut mist and dry up hole. Pull up to casing and flow well on its own. Secure location and turn flow down sales line. After 30 mins flow rate was 2333 MCFD and 121 psi and climbing. SDON.

5/28/03 Found well flowing at 3146 MCFd at 137 psi. Opened well to burn pit (slowly). Stage in hole starting at 3380', using air/mist (2,400 scfm, 15 BW/H, 1.5 gal of soap/hr, ½ gal of shale inhibitor). Well unloaded ~5 bbls of water and heavy coal fines. Continue in hole, hit bridge at 3453'. CO down to 3474' (top of 3rd coal) when pipe started to torque up and become stuck. TOH to 3411, blow well. TIH, CO to 3474', well started making heavy coal from 3" chunks down to coal fines. Well running heavy coal for ~ 3 hours while R&R pipe from 3443'-3474'. Coal returns finally started diminishing at 15:00 hrs. Cut mist and dry up hole (well starting to produce some water on its own). Pull up to casing and flow well on its own. Secure location and turn flow down sales line. After 30 mins flow rate was 2984 mcfd, 134 psi (and climbing). SDON.

5/29/03 Found well flowing at 3536 MCFd at 138 psi. Opened well to burn pit (slowly). Stage in hole starting at 3380', using air/mist (2,400 scfm, 15 BW/H, 1.5 gal of soap/hr, ½ gal of shale inhibitor). Had trouble getting well to circulate, pumped soap sweeps to get well to unload and start circulating. Continue in hole, hit same bridges as before starting at 3453'. CO down to 3474' (top of 3rd coal) when pipe started to torque up and become stuck. Pull up to 3453' and blow well. Re-establish circulation and R&R pipe from 3443'-3474'. Spent all day trying to drill thru bridges from 3453' to 3474'. Well making/running heavy coal fines all day. Cut mist and dry up hole. Pull up to casing and flow well on its own. Secure location and turn flow down sales line. After 15 mins flow rate was 2186 MCFd, 127 psi (and climbing). SDON.

5/30/03 Found well flowing at 4458 MCFd at 137 psi. Opened well to burn pit (slowly). Added 8' sub into string. Stage in hole starting at 3388', using air/mist (2400 scfm, 15 BW/H, 1.5 gal of soap/hr, ½ gal of shale inhibitor). Hit bridges at 3,453'. CO down to 3482' (5' into 3rd coal). Kept losing circulation, pulled up to 3451' and re-gained circulation. Attempted to clean out with 1800 scfm but unable to get full returns. Brought 3rd compressor back on line and continued cleaning out from 3453'-3482'. R&R pipe from 3451'-3482'. Well making/running heavy coal fines all day. Cut mist and dry up hole. Pull up to casing and flow well on its own. Secure location and turn gas flow down sales line. After 30 mins, flow rate was 2164 mcfd, 127 psi (and climbing). SDON.

5/31/03 Found well flowing at 3116 MCFd at 135 psi. (Regulator on separator was plugged with coal fines, Kimary valve was partially shut). Opened well to burn pit (slowly). Stage in hole starting at 3388', using air/mist (2400 scfm, 15 BW/h, 1.5 gal of soap/hr, ½ gal of shale inhibitor). Hit bridge at 3461'. CO down to 3482' (5' into 3rd coal). CO in 5' intervals. Pull up after each 5' and continue cleaning out same spot until pipe moved up/down freely. Eventually CO down to 3482'. Well making heavy coal fines all day. R&R pipe from 3451'-3482'. By 14:30 hrs pipe was moving from 3451' to 3477' with little to no problems. Had to re-drill/clean out 3477'-3482' each time. Cut mist and dry up hole. Pull up to casing and flow well on its own. Secure location and turn gas flow down sales line. After 30 mins flow rate was 2214 mcfd, 127 psi. SD for weekend.