

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

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.)		WELL API NO. 30-045-31280
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator MERRION OIL & GAS CORPORATION (014634)		6. State Oil & Gas Lease No.
3. Address of Operator 610 Reilly Avenue, Farmington, New Mexico 87401-2634		7. Lease Name or Unit Agreement Name: U-DA-WELL
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		8. Well No. 002
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6710' GR		9. Pool name or Wildcat BASIN FRUITLAND (71629)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: **Completion progress report** ☒

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.

5/6/03 Found well flowing at 126 psi - 1571 mcf/d. Opened well to burn pit (slowly). TIH to ~3600'. Attempt to clean out with air/mist. Unable to get full returns. Pull up to 3474' and well unloaded water soap and some coal. Start air/mist and start cleaning out down to 3536', started losing returns and drill pipe started becoming stuck. Pull up to 3317' and adjust mist/soap rate (increased to 12 - 15 BWPH and 1.25 gal of soap). Started getting full returns. Cleaned out down to 3451' and well started making heavy to medium coal. Worked pipe from 3419' - 3451', getting full returns and well making good coal. Flowed coal for ~3 hrs. Coal returns finally started to diminish. Pull up to casing shoe and let well flow for ½ hr. Secure location and turn flow down sales line.

5/7/03 Found well flowing at 125 psi - 838 MCFd. Opened well to burn pit (slowly). Very large flare, suspect separator had become plugged. TIH to ~3388'. Break circulation with air/mist (12 BWPH and 1.25 gal of soap). Good returns. Cleaned out down to 3451' and well started making heavy to medium coal. Worked pipe from 3419'-3451', getting full returns and well making good coal. Well making coal from 3219'-3451' for 7 hrs. Coal returns never diminished. Pull up to casing shoe and let well flow. Well flowing strong on its own, making ½ - 1 BWPH. Water full of coal fines. After 2 hours gas flow appeared to become stronger and water rate diminished. Secure location and turn flow down sales line. After ½ hour flow rate was 3079 mcf/d (meter was over ranged). T. Merilatt worked on separator and found fuel gas line to Kimray valve, plugged with coal, causing valve to shut.

CONTINUED OTHER SIDE

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

SIGNATURE [Signature] TITLE **Drlg & Prod Manager** DATE **5/19/03**

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

(This space for State use)

APPROVED BY [Signature] TITLE _____
Conditions of approval, if any:

DEPUTY OIL & GAS DIRECTOR

DATE **MAY 20 2003**

CONTINUED: 5/7/03

Production unit maintenance. Removed water dump, cleaned solids out of the moving parts. RU H&M Service pump truck, pumped 3 bbls of water through the production unit to flush out the coal fines from the unit, reinstalled water dump, pumped approx. 25 bbls water down water lines to U-Da-Well #1 water tank. Found control gas line from production unit to 1" cut regulator plugged off with coal fines, CO lines, replaced regulator, re-plumbed control gas supply from valve downstream of production unit, vented gas sales line at outlet of unit for 1 minute, gas flowing back was clean and dry. After rig crew left location well was flared to pit for approx. 45 minutes, gas stream dried up. Closed flare line, opened well to sales. Well pressured up from 50 psi to 140 psi line pressure in 2 minutes, initial flow from well #2 was 3079 MCFI with meter over ranging, CPD meter reading 4554 MCFI. After 45 minutes the #2 meter was still over ranging with flow reading of 3103 MCFI and CPD meter reading 5252 MCFI. Line pressure was steady at 135 psi, left wells on and selling gas. SDON.

- 5/8/03 Found well flowing at 136 psi – chart overanged 3100 MCFd. Opened well to burn pit (slowly). TIH to ~3388'. Break circulation with air/mist (12 BWPH and 1.25 gal of soap) - good returns. CO to 3451', well making medium to light coal. Worked pipe from 3419'-3451' getting full returns and well making good coal. Well making coal from 3219'-3451' for 4.5 hrs. Coal returns started to diminish, added 5' pup and continued to R&R pipe. Had to drill thru shale bridge each time. Losing circulation after working pipe down to 3456'. Pull up to casing shoe and let well flow. Well flowing strong on its own making ½ BWPH, water full of coal fines. After 1.5 hours, gas flow appeared to become stronger and water rate diminished. Secure location and turn flow down sales line. After 20 mins flow rate was 3232 MCFd, changed orifice plate from 1.70" to 2.500".
- 5/9/03 Found well flowing at 130 psi. Opened well to burn pit (slowly). TIH to ~3388'. Break circulation with air/mist (12 BWPH and 1.25 gal of soap), good returns. CO down to 3451', well making medium to light coal. Worked pipe from 3419'-3451', getting full returns and well making good coal. After 3 hours returns diminished still good gas flow. Made connection and CO down to 3474'. CO shale bridge at 3450' well making medium to light coal (and some shale). Returns started to diminish. Pull up to casing shoe and let well flow. Well flowing strong on its own, making ½ BWPH, water full of coal fines. After 1 hour, water rate diminished. Secure location and turn flow down sales line. After 15 mins flow rate was 3498 MCFd. Shut down operations over weekend, will flow well down sales line Saturday and Sunday (will dry watch location over weekend).
- 5/12/03 Found well flowing @ 126 psi - 2897 MCFd. Opened well to burn pit (slowly). TIH to ~3458', break circulation with air/mist (12 BWPH and 1.25 gal of soap). Good returns. CO down to 3490', well making light coal, and cleaning up good. Tubing string torqued up and became stuck at 3490', unable to work pipe free. Pressure up on backside (to equalize) and SWL. After ~45 mins tubing became free, pulled up to 3411' and break circulation with air/mist. Well unloaded slug of coal (light coal, mostly fines). Good circulation, well making light coal with heavy coal fines. Worked pipe from 3411'-3443', getting full returns and well making good coal (mostly fines). After ~3 hours, lost one of the compressors. Pull up to casing shoe and flow well for 1 hour, after 1 hour water rate diminished. Secure location and turn flow down sales line. After 30 mins flow rate was 2940 MCFd. SDON.
- 5/13/03 Found well flowing at 2680 MCFd. Opened well to burn pit (slowly). Pick up 8' sub and TIH to ~3388'. Break circulation with air/mist (12 BWPH and 1.25 gal of soap). Good returns. Cleaned out down to 3451. Well unloaded hard, making heavy coal from 3419'-3451'. R&R pipe from 3419'-3451' for 3 hours. Well made heavy coal for 1st hour, then slowly cleaned up. After 3 hours, picked up additional joint and cleaned out to 3482'. R&R from 3451'-3482', cleaned out bridges, light to medium coal and some shale. Pull up to casing shoe and flow well for 1 hr. After 1 hr water rate diminished. Secure location and turn flow down sales line. After 30 mins flow rate was 2168 MCFd and climbing. Sdon.
- 5/14/03 Found well flowing at 3109 MCFd. Opened well to burn pit (slowly). TIH to ~3426'. Break circulation with air/mist (15 BWPH and 2 gal of soap). Good returns. CO down to 3443'. PU next joint and continue cleaning out down to 3474'. Well making heavy to medium coal from 3443'-3474' (2nd main coal). R&R pipe from 3443'-3474' for 4 hours. Well made heavy coal for 1st hour, then slowly cleaned up. After 4 hours picked up additional joint and cleaned out to 3484' (into 3rd main coal), R&R from 3474'-3484'. Started pressuring up tubing and losing returns while trying to clean out below 3484'. Well making light to medium coal and some shale. Pull up to casing shoe and flow well for 1 hour. After 1-hour water rate diminished. Secure location and turn flow down sales line. After 30 mins. flow rate was 2670 MCFd and climbing. SDON.
- 5/15/03 Found well flowing at 3507 MCFd. Opened well to burn pit (slowly). TIH to 3411'. Break circulation with air/mist (15 BWPH and 2 gal of soap), good returns. CO down to 3443', well making heavy to medium coal from 3411'-3443' (2nd main coal). R&R pipe from 3411'-3443' for 7 hours. Well made medium to light coal for the entire 7 hours never cleaned up. Note: at ~2:30 PM well looked fairly clean, attempted to PU next joint but unable to get full returns. Laid joint back down and continued R&R pipe from 3411'-3443'. Pulled up to casing shoe and flowed well for 1.25 hrs. After 1 hour water rate diminished. Secure location and turn flow down sales line. After 20 mins flow rate was 2468 MCFd. SDON.
- 5/16/03 Found well flowing at 312 MCFd (Kimray valve closed, fuel gas and regulator had become plugged with coal fines). Opened well to burn pit (slowly). TIH to ~3419'. Break circulation with air/mist (15 BWPH and 2 gal of soap and 1/2 gal of shale inhibitor). Good returns. CO down to 3451'. Well making heavy fines for ~2 hrs. PU next joint but well making too much coal (fines). Lay joint back down. R&R from 3411'-3451' (2nd coal). Well making heavy coal fines. Kept cleaning out bridge 3446'-3451'. Coal finally diminished. PU next joint and clean out ~3460'. Well making heavy coal fines, pipe sticking. Continue cleaning out to 3482' (3rd coal). Well making heavy to medium coal fines. Pump 2 soap sweeps, cut mist & dry up hole. Pull up to casing. Secure location & turn flow down sales line. After 20 mins flow rate was 3165 MCFd. SDON.
- 5/17/03 Found well flowing at 2465 MCFd, 130 psi (Kimray valve partially closed). Opened well to burn pit (slowly). Stage in hole starting at 3380'. Well was pretty clean except for bridge at 3446'-3451'. Rotated thru bridge and continued down to 3482' 93rd coal). R&R pipe from 3411'-3451' (2nd coal). Well making heavy to medium coal fines. Pump 2 soap sweeps, cut mist and dry up hole. Pull up to casing. Secure locations and turn flow down sales line. After 1 hour flow rate was 3330 MCFd and climbing. SDON.