

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 ☐ 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)
505.325.5300

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**1060' FNL & 1840' FWL
Section 24, T24N, R6W**

5. Lease Serial No.

SF-079086

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

CANADA MESA NO. 1E

9. API Well No.

30-039-22118

10. Field and Pool, or Exploratory Area

Devils Fork Gallup

11. County or Parish, State

Rio Arriba, New Mexico

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 Commingle
	<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 recomplate 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

5/15/06 Road rig to location from Farmington and deliver pump & pit on 5/12/06. MOL & RU. Well showing 20 psi on tubing and 120 psi on casing. Opened tubing to production tank and blew down. Opened casing to production tank and blew casing down to 0 psi. Picked up rods with rig, removed horse head from pump jack. Lay down polished rod, 1 ea 6' pony rod, 1 ea 8' pony rod. Well started to blow to production tank, sent well to sales line at ~500 MCF. Pulled 30 ea 3/4" rods. Paraffin on rods getting very heavy and rods trying to stack out. Hot oil truck is not available until tomorrow A.M. Pick up polished rod and reinstall on well head. Shut in well (due to El Paso shut in), secure location & SDON. M&R Trucking transferred production water from pit to rig tank. We will hot oil rods and continue tripping out of hole in A.M.

5/16/06 Casing at 500 psi and tubing at 200 psi upon arrival. Blew down tubing. Poor Boys Hot Oil pulled 30 bbls from production tank (13'7" top, 12'2" bottom), heated to 185° and pumped down tubing. LD polished rod and TOOH with remaining rods (1 ea 6' pony, 1 ea 8' pony, 88 ea 3/4" rods, 94 ea 5/8" rods, 40 ea 3/4" rods, 2" x 1-1/4" x 12" RHAC total). Blew casing down to rig pit & production tank. ND well head and NU BOP, rig up floor, pulled tubing mandrel. TOOH with 1 ea 6' 2-3/8" thg sub, X/O, 175jts of 2-3/8" Hydril thg, X/O, 11 jts of 2-3/8" EUE 8 rd, SN; 4' perf sub and a 15' tail joint, had to kill well 1 time during trip. Pick up a 2-3/8" flapper, 11 jts of 2-3/8" EUE 8 rd thg and sand bailer on Hydril thg. TIH and tag at 6252'KB. Worked bailer and fell through bridge. TIH and tag fill at 6458' KB. Worked bailer and made approx. 2' in 30 mins. with water pumping down casing. POOH with 15 stands, secure location and SDON.

Continued other side

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

CONNIE S. DINNING

Title **ENGINEER**

Signature

Date

6/28/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

Date

Office

ACCEPTED FOR RECORD

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)

FARMINGTON FIELD OFFICE
BY 

NMOCD

5/17/06

Casing at 200psi upon arrival. Blew casing down. TIH 15jts and tag fill at 6459'. Worked bailer approx. 1hr, made 6'. Progress stopped. TOOH with bailer. Recovered 5jts of clay/sand mixture and what looks to be drilling mud. Pick up a new flapper, 15 jts of 2-3/8" EUE 8rd, a hydrostatic type bailer and TIH on 2-3/8" Hydril tbg. Tag fill at 6464', worked bailer for approx. 1hr. Pumped water down backside, turned tubing with tongs, made approx. 6' more when progress stopped. TOOH with bailer. Recovered 15jts full of high viscosity drilling mud with pieces of 1/4" rock with approx. 6' of solids (clay/sand/rock) at flapper. Shut in well, secure location and SDON. We plan to TIH with bailer in A.M. (25 jts between flapper & bailer). American Transport delivered 30 jts of 2-3/8", EUE 8rd tubing and 50 ea. 5/8" rods from Cave Enterprises.

5/18/06

Casing at 300psi upon arrival. Blew casing down. Pick up flapper, 25 jts of 2-3/8" EUE 8rd, a hydrostatic type bailer and TIH on 2-3/8" Hydril tbg. Tag fill at 6452', worked bailer for approx. 1hr. Pumped water down backside, turned tubing with tongs, made approx. 4' when progressed stopped. TOH with bailer, recovered 21jts of water, thin drilling mud and trace of oil and 4 jts of solids (clay/sand/rock). Clean out flapper, pick up 25 jts, a pump type bailer and TIH on 2-3/8" Hydril tubing 20 jts above fill. Ran out of daylight. Shut in well, secure location and SDON.

5/19/06

Found well w/ 0 psi on casing. Continue TIH and tag fill at 6452'(same place as before). Worked bailer for approx. 1hr. Pumped water down backside, turned tubing with tongs but unable to make any progress. TOH with bailer. Recovered 10 jts of thin drilling mud. Bottom was packed w/ broken pieces of cement. PU 3-7/8" bit and bit sub and TIH to 4185'. SWI, secure location and SD for weekend. Schedule nitrogen truck for Monday morning. Will set flow back tank over weekend.

5/22/06

Found well with 710 psi on casing. RU flow lines from wellhead to flow back tank. Blow well down to flow back tank. TIH to 5325' and install string float. RU Halliburton Energy Services and held safety meeting. Break circulation with nitrogen. Continue TIH and tag up on fill at 6417' KB. PU power swivel and rig up nitrogen lines. Break circulation with nitrogen and start cleaning out, very hard from 6417' to 6424'. Circulate thru mud/frac sand down to 6607'. Unable to get any deeper than 6607', acts like PBTD. Previously cleaned out to 6637' on 3/16/06, will strap out of hole to double check tally depth. Blow hole for 15 mins. Lay down power swivel and TOH to string float. SD for 1.5 hrs. TIH did not have any fill. RD HES. Pull up to 5325'. SD operations due to extremely high winds and lightening. SWI, secure location & SDON.

5/23/06

Found well with 690 psi on casing and 500 psi on tubing. Blow well down to flow back tank. Finish TOH, lay down bit and bit sub. Run production string as follows: cut off tail joint, perforated sub, seating nipple, 33 joints of 2-3/8" EUE tubing, x/o, 184 joints of 2-3/8" Hydril tubing, x/o, 1 x 6' x 2-3/8" tubing sub. Bottom of tubing landed at 6562' KB, seating nipple at 6542' KB. Note: TIH and tag at 6637' KB before pulling up and landing tubing in wellhead with donut. ND BOP and NU WH. Ready rig to run rods. RIH with 2" x 1-1/4" x 12' RHAC pump on 40 x 3/4" plain rods, 132 x 5/8" plain rods, 17 x 3/4" plain rods, 70 x 3/4" rods with molded rod guides, 1x 8' pony and 1 x 6' pony rod. Install polish rod (with liner) and stuffing box. Load tubing with produced water and pressure test to 500 psi – held OK. NU horse head and bridle. Space out pump and hang off rods. Start pumping unit and adjusted tag. Left well SI (as per Frank Hancock). RDMOL.