

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 recomplete an abandoned well. Use Form 3160-3 (APD) for such proposals.

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.  
30-045-22118  
39

10. Field and Pool, or Exploratory Area  
Devils Fork Gallup/Basin Dakota

11. County or Parish, State  
San Juan

**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)  
505.324.5300

4b. Location of Well (Footage, Sec. T., R., M., or Survey Description)  
1060' fml & 1840' fwl  
Sec 24, T24N, R6W

**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 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	<u>Downhole Commingle</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Prod. Allocation</u>

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.)

Further information regarding production allocation for the subject well is listed below:

	Gas	Oil	Water
Devils Fork Glp	79%	98%	100%
Basin Dakota	21%	2%	0%

Average Gas Production Dakota Only 11/05 - 3/9/06 = 30.59 MCFD

Average Gas Production Gallup/Dakota Commingled 5/25/06 - 8/22/06 = 142.67

30.59/142.67 = 21% DK

Average Oil Production Dakota Only 11/05 - 2/28/05 = 4.6 BOPM

Average Gas Production Gallup/Dakota Commingled 5/06 - 6/06 = 182 BOPM

4.6/182 = 2% (actual calc is 2.5% but allocating 2% because Dakota oil production was sporadic)

Dakota history showed no water production. Gallup is currently producing about 25-30 BWPD

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)  
Connie S. Dinning

Title  
Production Engineer

Signature  
*[Signature]*

Date  
August 30, 2006

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by  
*[Signature]*

Title  
Geo

Date  
9-6-06

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  
FFD

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.

NMOC