

Submit 3 Copies to Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88248
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

RCVD OCT 25 2006
 OIL CONS. DIV.

State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 May 27, 2004

<p style="text-align: center;">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.)</p> <p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/></p> <p>2. Name of Operator Merrion Oil & Gas Corp.</p> <p>3. Address of Operator 610 Reilly Ave., Farmington, NM 87401</p> <p>4. Well Location Unit Letter <u>D</u> : <u>2435</u> feet from the <u>N</u> line and <u>1705</u> feet from the <u>W</u> line Section <u>20</u> Township <u>26N</u> Range <u>11W</u> NMPM County <u>San Juan</u></p> <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6135' GL</p> <p>Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/></p> <p>Pit type <u>drilling</u> Depth to Groundwater <u>>100'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>1000'</u></p> <p>Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>	<p>WELL API NO. 30-045-32100</p> <p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED <input checked="" type="checkbox"/></p> <p>6. State Oil & Gas Lease No. NM-31059</p> <p>7. Lease Name or Unit Agreement Name Hardrock</p> <p>8. Well Number <u>1</u></p> <p>9. OGRID Number <u>014634</u></p> <p>10. Pool name or Wildcat Fruitland Coal</p>
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12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p style="text-align: center;">NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <u>pit construction</u> <input checked="" type="checkbox"/></p>	<p style="text-align: center;">SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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13. 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 recompletion.

Merrion Oil & Gas constructed a lined earthen pit to contain fluids used to drill the subject well on 10/11/05.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCDC guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Denise Merilatt TITLE Engineering Tech DATE 10/23/06

Type or print name Denise Merilatt E-mail address: dmerilatt@merrion.bz Telephone No. 505.324.5335

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. # DATE OCT 25 2006

Conditions of Approval (if any): _____