

Form 3160-5
(September 2001)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

AUG -5 PM 12:50

070 Farmington, NM

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 Ave., Farmington, NM 87401

3b. Phone No. (include area code)

(505) 327-9801

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

990' FNL & 1650' FWL

SECTION 21, T26N, R11W

5. Lease Serial No.

SF-078899-A

6. If Indian, Allottee or Tribe Name

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

TO BE COMMUNITIZED

8. Well Name and No.

BLACKROCK C No. 1

9. API Well No.

30-045-05780

10. Field and Pool, or Exploratory Area

GALLEGOS GALLUP

11. County or Parish, State

SAN JUAN COUNTY, NM

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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	COMMINGLE
	<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 recompleat 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 recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final insection.)

DLC 1131 AZ

7/18/03 RU BJ Services and hold safety meeting. Pressure test pumps and lines to 6,000#. Spearhead 350 gal of 15% HCl with Iron control, Corrosion inhib., non-emulsifier and shale inhibitor. Saw break at 3620 psi while pumping 18 bpm. Cool down CO₂ pumps. Pumped 2394 gal of 20# gel pad in 70 Quality CO₂. Frac well with 93,780# of 20/40 Brady and 8240# of "Flex Sand" in 20# gel 70 Quality CO₂ foam. Pumped sand in 1, 2 & 3 ppg stages. Note: Pumped "Flex Sand" to be 12% of volume in 3 ppg stage. Displace frac with 45 bbls of 20# gel. ISIP: 210 psi. SWI, RD BJ Services. AIR: 30 bpm, MIR: 33 bpm, ATP: 3978 psi, MTP: 4535 psi. Job completed at 11:40 hrs 7/18/03. Total fluid pumped: 572 bbls. Total CO₂ pumped: 160 tons. RU flow back manifold. Open well at 15:45 hrs 7/18/03. Initial pressure was ~200 psi. After 1.5 hours pressure was down to 0 psi. Monitored well for additional 2 hrs. Well stayed at 0 psi. SWI. SD over weekend.

CONTINUED OTHER SIDE

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Steven S. Dunn	Title Drilling and Production Manager
Signature 	Date August 4, 2003

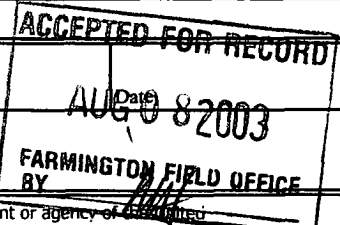
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the application holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office



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 reverse)

NMOCD

7/21/03 RU "Flare 99" coiled tubing unit and American Energy Services nitrogen truck. Found well dead. RIH with 3/8" coiled tubing. Start nitrogen at ~500'. Hit sand/fill at ~4980'. CO sand down to bottom perf at 5278'. Blow well with nitrogen from 5278' and let well clean up. Well making sand with some water/oil. Continue cleaning out down to RBP at 5383'. Blow well clean with nitrogen. POOH with coiled tubing. Well flowing thru 1/4" choke at 25 psi. Well making mostly gas with some oil/water. RD coiled tubing unit and nitrogen truck. SDON with night watch. Left well flowing at 25 psi to flowback tank.

7/22/03 Well flowed all night at ~25 psi. From 04:00 hrs to 06:00 pressure slowly decreased down to 5 psi. MIRU Professional Well Service Rig #3. ND frac valve. PU additional joint of 3-1/2" and release packer. Remove B-2 coupler and NU BOP. TOH laying down 3-1/2" tubing on to trailer. Lay down packer. SWI & SDON. Note: hauled 3-1/2" tubing back to M&R yard and spotted trailer with 2-3/8" tubing, 2-3/8" tubing came from Merrion's stock out of M&R yard.

7/23/03 PU retrieving head, 2-3/8" tubing and RIH. Tag sand/fill at 5170' (~210' of fill). RU BJ Services and break circulation with nitrogen. Unloaded ~40 bbls of fluid. Clean out sand/fill down to RBP at 5385'. Blow well clean with nitrogen. Latch onto RBP and open unloader. Release RBP; continue pumping nitrogen to clean up well, TOH with RBP to 5170'. Unable to remove string float - too much pressure. Pull up 1 stand and call for bleed down tool, TIH to 5170' and install tool release pressure from tubing. Pull up to remove string float (still blowing hard from tubing) and tubing string started to get stuck. Worked tubing (up/down) but unable to move. Shut down, attempted to get off RBP and noticed that tubing would move down (still would not come up). Shut down and call for nitrogen truck and light plant. RU nitrogen and attempt to break circulation, tubing pressured up to 2000 psi still had movement down. PU 3 additional joints, at one point able to work tubing up hole ~30' before getting stuck again, never able to break circulation. Made multiple attempts to "get off" RBP, lost ability to move tubing down, worked tubing for additional hour no movement. RD BJ Services. Secure location and shut down. Will try manual back off in morning.

7/24/03 Manually backed off tubing. TOH recovered 169 joints, leaving 4 joints, ret. head and RBP. PU overshot and RIH on 2-3/8" tubing. Tag fish at 6062' (note: should have been at 5213' - fell 849'). Rotate overshot onto fish. Worked tubing, had slight movement up hole but unable to free pipe. Made multiple attempts to rotate off RBP. Rotate overshot off fish and lay down single. PU pup joints and rotate back onto fish. RU Vibration Technology. Work/vibrate tubing string for 1-1/2 hr. Tubing moved up hole ~2 ft but never pulled free. RD Vibration Technology. RU Wireline Specialty and RIH with tubing cutter. Hit sand fill inside tubing ~ 45' below overshot. Pull out with cutter (did not cut tubing). RD wireline. Rotate overshot off fish and pull tubing up to 4950'. Secure location & SDON.

7/25-27/03 Shut down over weekend. Waiting on coil tubing unit to be on location Monday, 7/28/03.

7/28/03 Slowly bleed pressure off casing to flow back tank. TIH & rotate overshot onto fish (tubing). Wait on DynaCoil to change out coil strings. RU DynaCoil & BJ Services to go down 2-3/8" tubing. RIH to 5000' w/ 3/8" coil tubing. Start nitrogen and continue down to 5800'. Had trouble establishing returns. Bumped rate up to 550 scfm but pressure increased to 5000 psi at the surface. Pulled up hole to 5300' and well finally started to unload but then slowly logged off again. Worked coil tubing string up/down trying to get 2-3/8" tubing to unload. Kept logging off - concerned that rate is not fast enough to properly clean out tubing. Blew out fitting on coil tubing unit. Pulled coil tubing out of well and RD DynaCoil and BJ Services (cancelled clean out). Rotate over shot off of fish and pulled up to ~4950'. Secure location and SDON. Called Sangel Services (1-1/4" coil tubing), will confirm in AM if they can be on location later in day or not.

7/29/03 SD for day.

7/30/03 Slowly bleed pressure off casing to flow back tank. TOH LD overshot. PU mud anchor, perforated sub and seating nipple. RIH on 180 joints of 2-3/8", 4.7#, EUE, J-55 tubing, bottom of tubing landed at 5719.48' KB, seating nipple at 5699.18' KB. (Note: Left 4 joints of 2-3/8" tubing, crossover, ret. head and RBP in well.) Top of fish at 5925' KB, bottom of fish at 6055' KB; land tubing with donut in well head. ND BOP and NU WH. Ready rig to run rods. Run 2" x 1 1/4" x 12' RHAC pump on 40 each 3/4" plain rods, 120 each 5/8" plain rods and 62 each 3/4" scraper rods. Install polish rod, polish rod liner and stuffing box, seat and space out pump. Load tubing with 22 bbls of produced water. Pressure test tubing/pump - held OK. Check pump action with rig - pumped OK. NU horsehead, bridle and hang off rods. Well ready to start pumping. Load left over tubing and rods. RD flow back tank/lines. Will rig down and MOL in morning. (Note: roustabouts will finish flow line to separator in morning as soon as rig is off location.) FINAL REPORT.