

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 16201-17 16301-169

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)
**1070' FSL & 813' FEL
SECTION 10, T26N, R12W, NMPM**

5. Lease Serial No
SF-080384-B

6. If Indian, Allottee or Tribe Name **SEPTEMBER 2 '07
OIL CONS. DIV.**

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

8. Well Name and No
HICKMAN A No. 1E

9. API Well No
30-045-33936

10. Field and Pool, or Exploratory Area
GALLEGOS GALLUP BASIN DK

11. County or Parish, State
SAN JUAN, NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

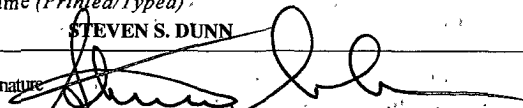
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 SPD, CSG
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	TD REPORTS
	<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 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.)

8/24/07 MIRU D&J rig #2 (derrick in air at 12:00 hrs) 8/23/07. Mix spud mud and drill rat hole and mouse hole. Spudded 12-1/4" surface hole at 21:00 hrs 8/23/07 with bit #1 (12-1/4", Reed, 4M25ST, SN-5072210). TD surface hole at 357' KB - 0200hrs on 8/24/07. Circulate and run survey. LD 2 drill collars and TOOH. Rigged up San Juan Casing and ran 8 joints (336.68") of 8-5/8", 24#, J-55, ST&C casing, set casing at 352.18' KB. Circulated casing while rigging up Key Energy Pressure Pumping Services, preceded cement with 15 bbls of water, cemented with 230 sxs (271cuft) of Type III cement with 1/4 pps celloflake and 3% CaCl₂. Dropped plug and displaced with 20 bbls of water. Bumped plug to 500 psi and down at 0530 hrs on 8/24/07. Returned 15 bbls of good cement slurry to surface. WOC at report time. Surveys: 165' @ 1"; 317' @ 3/4"

*** CONTINUED OTHER SIDE ***

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

Signature 

Title **DRILLING & PRODUCTION MANAGER**

Date **09/04/2007**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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 _____

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)

2007 SEP - 5 AM 10: 21
RECEIVED
210 FARMINGTON NM

NMOCD

ACCEPTED FOR RECORD

SEP 11 2007

FARMINGTON FIELD OFFICE
BY T. Salyers

- 15 20/10/07
- 8/25/07 WOC. Back off landing jt. NU WH, BOP, choke manifold and related surface equipment. PU test plug and have 3rd party (Well check) pressure test BOP, pipe rams, blind rams, choke manifold and related equipment to 250 psi low and 2000 psi high. Pressure test casing to 600 psi for 30 mins, all test held OK. TIH with bit #2 (7-7/8", RTC, TD44). Install TIW floor valve and pressure test kelly cock to 250 psi low and 2000 psi high - held OK. Continue TIH and tag cement at 296'. Drill out cement with water. Continue drilling new formation with water and polymer. At 06:00 hrs drilling ahead at 2067', ROP ~ 155 fph. Surveys: 812' @ 1°; 1312' @ 1-1/4°; 1809' @ 1°
- 8/26/07 Continue drilling ahead w/ bit #2 (7-7/8", RTC, TD44) and water/ polymer. At 06:00 hrs drilling ahead at 3990', ROP ~ 90 fph. Surveys: 2308' @ 1°; 2806' @ 3/4°; 3305' @ 1°; 3803' @ 1°
- 8/27/07 Continue drilling ahead w/ bit #2 (7-7/8", RTC, TD44) and water/ polymer. At 06:00 hrs drilling ahead at 3990', ROP ~ 90 fph. Surveys: 4298' @ 3/4°; 4823' @ 3/4°
- 8/28/07 Continue drilling ahead w/ bit #2 (7-7/8", RTC, TD44) to 5190'. Bit started showing excessive torque and ROP slowing down. Circulate hole for trip. TOH for bit change; TIH with bit #3 (7-7/8", RTC, TD-44, SN CP2076), wash and ream last 30' to bottom. Continue drilling ahead to 5363', while circulating for survey, lost all returns. Pull up 70' and start mixing mud with LCM. Pumped 80 bbls pill with 10% LCM and regained partial returns. Continue building volume and mixing mud with LCM. Estimate total loss of ~200 bbls of mud. At report time circulating with full returns, ready to go back to bottom and continue drilling.
- 8/29/07 Drilling ahead with full returns. Drilled F/ 5363' - T/ 6000' (Top of Dakota). Circulate hole clean and ran survey. Mixed and pumped pill and TOO H for bit #3. Tripping for bit at report time. Surveys: 5417' @ 1°; 5977' @ 1°
- 8/30/07 Complete TOO H with bit #3. Picked up bit #4 (Reed, H40AP, EL6813) and stage in hole. Drilling ahead F/ 6000' - T/ 6250'. Drilling Ahead at ~8fph at report time.
- 8/31/07 Drilling ahead F/ 6250' - T/ 6355' (TD). TD well at 20:00hrs on 8/30/07. Circulate and condition hole. Ran deviation survey at 6320' KB at 1°. TOO H and prepare for logs. Rig up Schlumberger Wireline and run GR/IND from TD (6357' KB per logs) to surface and DEN/NEUT logs from TD to 4800', across Dakota/Gallup formation. Rig down loggers and TIH to condition for casing. TIH at report time. Survey: 6320' @ 1°
- 9/1/07 TIH and condition hole for casing. LD DP, DC's & BHA. Rigged up San Juan Casing and ran 160 jts (6330.11') of 4-1/2", 11.6#, J-55, LT&C casing. Circulate casing to bottom - no fill. Land casing in well head w/ mandrel. Bottom of casing at 6348.11' KB, float collar at 6331' KB, marker joint at 5543' KB and a second MJ at 5918' KB, DV tool at 4177' KB. Circulate while RU Halliburton Energy Services and hold safety meeting. Precede 1st stage cement w/ 10 bbls of water, 20 bbl "chem. wash", 10 bbl water spacer. Mix and pump 280 sx (537.6 cf) of Halliburton Light Premium w/ 1/8#/sx Poly-flake & 5#/sx Gilsonite. Tail in w/ 130 sx (153 cf) of "Type V" w/ 1/8#/sx Poly-flake, 5#/sx Gilsonite & 0.3% Halad R-9. Drop plug and displace w/ 40 bbls of water and 60.6 bbls of mud. Bump plug to 1500 psi. PD at 01:30 hrs 9/01/07. Release pressure and check floats - held OK. Dropped opening plug and opened stage tool at 700psi. Circulated with mud and returned 15 bbls of cement slurry to surface. Circulated from stage tool 4hrs between stages. Started 2nd stage cement job at 05:30hrs on 9/01/07. Pumping 2nd stage at report time.
- 9/2/07 Precede 2nd stage cement w/ 10 bbls water, 10 bbl "chem. wash" & 10 bbl spacer. Mix and pump 500 sx (960 cf) of Halliburton Light Premium w/ 1/8#/sx Poly-flake & 5#/sx Gilsonite. Tail in w/ 350 sx (455 cf) of 50/50 Poz "Type V" w/ 1/8#/sx Poly-flake & 5#/sx Gilsonite. Drop plug and displace w/ 66.5 bbls of water. Bump plug to 1200 psi. PD at 0700 hrs 9/1/07. Increased pressure to 2400psi and closed stage tool. Release pressure and check float - held OK. Good circulation throughout 2nd stage job. Circulated 40 bbls of cement to surface. RD Halliburton. ND BOP. RD rig and equipment. Rig released at 12:00 hrs 9/1/07. WOCT: **Final Report.**

Pressure test results required