

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.**

5. Lease Serial No.
NMSF-078899

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
MERRION OIL & GAS CORPORATION

3a. Address
610 Reilly Avenue
Farmington, NM 87415

3b. Phone No. (include area code)
505-324-5310
Bureau of Land Management
Farmington Field Office

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
760' FSL & 1618' FWL, Section 21, T26N, R11W, NMPM

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

8. Well Name and No.
BLACKROCK C No. 1E

9. API Well No.
30-045-34306

10. Field and Pool or Exploratory Area
BASIN DAKOTA

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

12. CHECK THE 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 Completion
	<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 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 must 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 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.)

3/27/08 MIRU Hurricane Rig #17 on 3/27/08. ND WH & install BOP. PU 37/8" bit, casing scraper & X-over, RIH DV tool. PU & test casing to 2000 psi (test good). RU swivel & drill out DV tool. Test casing to 200 psi (test good). RIH to PBTD & circulate clean, test casing to 2000 psig (test good). Pull 5 stands and SDON.

3/28/08 POOH standing back, break off scraper and bit 2 joints bent (mark and set aside).

3/31/08 RU Weatherford Wireline Services and hold safety meeting. RIH with GR/CCL logs. Run logs from PBTD to 4000'. Depth correlated logs to open hole logs ran by Weatherford on 1/25/08. POOH with logs. RU Weatherford Pumping Services and hold safety meeting. Pressure test casing and BOP to 4000 psi - held OK. RIH with 1-11/16" strip guns and perforate the Burro Canyon formation 2 spf from 6122'-6136' (total of 28 holes - EHD: 0 26"). PU Weatherford Arrow-set packer and TIH on 2-3/8" tubing, TIH to 6164' KB. Pump 5 bbls "gel plug" and roll hole with 2% KCl water. Spot 250 gals of 15% HCl acid from 6164' to 5777'. Pull up to 5704' and set packer. Break down Burro Canyon at 2200 psi while pumping 1.5 bpm. Displace acid away with 15 bbls of 2% KCl water at 3100 psi while pumping 4.8 bpm. ISDP: 1700 psi, 5 mins: 1241 psi, 10 mins: 1073 psi, 15 mins: 847 psi. Bleed off pressure. RU flow back tank/lines. Open well thru 2" at 14:15 hrs. Well flowed back small stream of water (4.5 bwp/h). Recovered ~12 bbls of water starting to show signs of acid. SWI at 17:30 hrs

CONTINUED NEXT PAGE

RCVD MAY 2 '08
OIL CONS. DIV.
DIST. 3

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

Name (Printed/Typed)
STEVEN S. DUNN

Title DRILLING & PRODUCTION MANAGER

Signature

Date 04/07/2008

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)

NMOCD

APR 30 2008
FARMINGTON FIELD OFFICE
BY J. L. SANCHEZ

April 1, 2008 Found well with SITP: 110 psi. Open well thru 2", bled down to 0 psi & small stream of water. Made 2.5' bbls of water in 1 hr. Release packer & TIH to 6032' KB & re-set packer. Made 2 swab runs. Run #1: recovered 6.5 bbls of fluid. Run #2: recovered 11 bbls of fluid. Well started flowing gas after second run (very low volume, but unable to get swab down). Let well flow out 1/8" choke at 15 oz. After 2 hrs well was still flowing gas out 1/8" choke at 15 oz., no water. Run single used swab cup & started swabbing again. Made 12 runs, started getting 5%-10% oil cut after 2nd run (looks to be mostly condensate/very light oil). After 5th run, recovery rates stabilized to ~ 1.5 bbls per swab run, indicating 144 bwpd (24 hr rate). Note: Total load pumped including acid: 21 bbls, total fluid recovered since starting flowback & swabbing: 68 bbls. RD swab equipment. Release packer & TOH with 40 stds. SWI, secure location & SDON. Will set CIBP & perforate Lower Dakota in morning.

April 2, 2008 Found well with SITP & SICP: 0 psi. Finish TOH with packer. Weatherford Wireline truck got stuck in s& on location while trying to spot truck. WITHO rig up truck. Pull wireline truck out of s&. RU & hold safety meeting. RIH with CIBP & 3-1/8" HSC perforating guns. Set CIBP at 6116' KB. Pull up & perforate the Lower Dakota 3 spf at the following depths: 6092' - 98' & 6074' - 85'. Total of 51 holes (EHD: 0.39"). RD wireline truck. TIH with 4-1/2" casing packer to 6093'. RU Weatherford Pumping Services & hold safety meeting. Load hole with 14 bbls of water. Spot 250 gal of 15% HCl acid from 6093' to 5671'. Pull up to 5639' & set packer. Break down Lower Dakota at 2,350 psi while pumping 1.0 bpm. Displace acid away with 19 bbl of 2% KCl water at 3,460 psi while pumping 5.0 bpm. ISDP: 2,201 psi, 5 min: 1,487 psi, 10 min: 1,214 psi, 15 min: 1,012 psi. Total fluid to recover including acid is 46 bbls. SWI & RD Weatherford. RU flowline to flowback tank. Open well at 14:00 hrs with 200 psi. After 10 min. pressure down to 10 psi & flowing small stream of water. After 1 hr well was dead. RUTS. Made 5 runs & recovered 31 bbls of fluid (water). Fluid level on last run was 4400'. Total fluid recovered since starting flowback & swabbing: 33 bbls. SWI, secure location & SDON.

April 3, 2008 Found well with SITP 60 psi. Open out 2", bled down to 0 psi immediately. Release packer, TIH to 6032' KB, seating nipple at 5970' KB. Re-set packer & RUTS. RIH with swab, initial fluid level was 500'. Made 5 swab runs & recovered 27 bbls of fluid (water). Fluid level after 5th run was down to 5700'. Start making swab runs every 1/2 hr. 10:30: fluid level was 4700' - recovered 3 bbls, 11:00: fluid level was 5800' - recovered 1 bbl, 11:30: fluid level was 5800' - recovered 1 bbl, 12:00: fluid level was 5800', recovered 1 bbl. SD for 1 hr. RIH at 13:15 hrs, fluid level was 4700' - recovered 3.75 bbls (90 bwpd). SD for 1 hr. RIH at 14:15 hrs, fluid level was 4900' - recovered 2.5 bbls (60 bwpd). Received instruction to ab&on Lower Dakota. Release packer & start tripping out of hole (slow going due to high winds). Will finish TOH before setting CIBP & perforating Upper Dakota. SWI, secure location & SDON. Total fluid to recover: 46 bbls. Total fluid recovered since starting flowback & swabbing: ~75 bbls.

April 4, 2008 Found well with SITP & SICP 0 psi. Finish TOH with packer. RU Weatherford Wireline & held safety meeting. RIH with CIBP & 3-1/8" casing gun, set CIBP at 6068' KB. Pull up & shoot the Upper Dakota 2 SPF at the following depths: 5957'-5961' & 6000'-6026' (total of 60 holes - EHD: 0.39"). RD & release Weatherford. TIH with 2-3/8" tubing (open ended) to 6032'. RU Pace & spot 500 gals of 15% HCl acid from 6032'-5177'. TOH (laying down tubing on trailer). ND BOP & NU 5K frac valve. Loaded wellbore with 2% KCl water but never saw break. Pumped acid away with 35 bbls. Increased rate to 6 bpm, max pressure was 780 psi. SD & well went on vacuum. SWI. RD rig & MOL. Frac scheduled for 4/10/2008.