

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.
SF-078213

RCVD JUN 19 '08

6. If Indian, Allottee or Tribe Name

OIL CONS. DIV.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Merrion Oil and Gas Corporation

3a. Address
610 Reilly Ave
Farmington, NM 87401

3b. Phone No. (include area code)
505.324.5300

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1974' fsl & 799' fwl, S25, T30N, R13W

7. If Unit of CA/Agreement, Name and/or No.
DIST. 3

8. Well Name and No.
Piedra Vista #1Z

9. API Well No.
30-045-33997-0051

10. Field and Pool or Exploratory Area
Basin Dakota

11. Country or Parish, State
San Juan County, NM

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 checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<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 recompleate 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 recompleation 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.)

5/29/08 - Set CICR at 4,468' KB. Pressure test tubing to 4,000 psi – held OK. Sting out of retainer and load hole w/ 2 bbls of 2% KCl water. Sting back into retainer and establish an injection rate of 1.5 bpm at 1,700 psi. Mix and pump 240 sx (288 cu.ft.) of "Type V" cement. Pumped cement at 1.25 bpm at 700 – 800 psi. Displace cement w/ 16.5 bbls of water. Pressure increased during displacement to 1,800 psi. SD and pressure was holding at 1,300 psi. Sting out of retainer and reverse out ~ 3 bbls of cement to surface. TOH and lay down setting tool. SWI, secure location & SDON

5/31/08 - PU power swivel and tag up on cement at 4,462' (CICR at 4,468'). Break circulation w/ 2% KCL water and drill out cement down to CICR. Continue drilling CICR down to 4,500'. Fell thru cement at 4,500'. Lay down power swivel and TIH to composite BP at 6,404'. TOH. RU Pace kill truck and attempt to pressure test squeeze. Pressured up to ~ 1,000 psi before breaking back to 500 psi. Establish an injection rate of 2 bpm at 2,200 psi. SD and RD kill truck. SWI, secure location & SD until Monday.

6/2/08 - P/U packer and TIH on 73std of 2-3/8" tubing. Set packer in compression at 4559'KB. Test casing below packer to 2200psi, good test. PUH and set packer at 4465'KB. Tested casing via backside to 2250psi, good test. Rigged up to tbg and est. an inj. rate of ~1bpm at 1900psi, shut down pressure=1500psi and fell to 1000psi after 2min. Bled off, unset packer and TOH. Picked up a tension set 4-1/2" packer and TIH on 65jts of 2-3/8" tbg. Set packer at 4058'KB. Rigged up KEPPS, put 500psi on csg and est. inj rate via tbg of 1.4bpm @ 2200psi. Cemented with 50sks(60cuft) of std cmt w/ 1% CaCl2 followed by 150sks(180cuft) of std cmt w/ 2% CaCl2. Washed pump & lines and displaced w/ 18bbls of water. Final pump pressure was 2000psi @ < .25bpm. Shut down and hesitate 10min. Pressure fell to 760psi. Pumped 1-1/2 bbl of water (19.5bbl total) and pressure climbed to 3000psi. Shut down and hesitate 15min. Pressure fell to 2800psi, bled off pressure slowly and got back less than 1/4bbl of displacement. (Con't)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Tyson Foutz

Title Petroleum Engineer

Signature

Date 06/04/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.

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)

NMOC

6/2/08 cont'd. - Unset packer and reverse circulate with 30bbls of water, no cmt returns. Re-set packer and increased pressure to 3200psi. Shut in tbg and rigged down KEPPS. Secured location and SDON

6/3/08 – Tubing pressure 2800psi upon arrival. Bled off and unset packer. TOOH with packer. Picked up a 3-7/8" 3 blade drag bit and TIH, tagged cement at 4290'KB. Reverse circulate while drilling cement to 4492'KB. First 20' was semi-soft and then hardened. Rigged up KEPPS and pressure tested squeeze with approx. 5' of cement above holes. Tested to 4000psi, good test. Picked up swivel and drilled out remainder of cement and continued in hole to 4555'KB. Re-test squeezed holes to 4007psi, held 5 min with 0psi leak down, good test. Rigged down KEPPS. TIH and tagged at 6410'KB + (composite BP). TOOH with bit. Secured location and SDON.