

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.

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' FSL & 1255' FWL (SWSW)

SECTION 25, T30N, R13W

5. Lease Serial No.

SF-078213

6. If Indian, Allottee or Tribe Name

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

DHC 1278A2

8. Well Name and No.

PANTHER No. 1

9. API Well No.

30-045-29573

10. Field and Pool, or Exploratory Area

BASIN FRUITLAND COAL

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

☐ Notice of Intent☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☒ Subsequent Report☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Casing repair☐ New Construction☐ Recomplete☒ Other☐ Final Abandonment Notice☐ Change Plans☐ Plug and Abandon☐ Temporarily Abandon

COMMINGLE

☐ Convert to Injection☐ Plug Back☐ 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.)

10/8/03 RU Dyna Coil and pull 5/8" injection string. RD Dyna Coil. MIRU Jimmy's Swabbing Service rig. Spot pump & pit. Spot frac tanks and start filling with 2% KCl water (city water). Will pull tubing, set plug and perforate on 10/9/03. Frac scheduled on 10/11/03.

10/9/03 MIRU Jimmy's Well Service rig 10/9/03. Killed well with 10 bbls 2% KCl water. Removed wellhead. NU BOP. TOOH with 52 joints and 2' sub 2-3/8" 4.7# J-55 EUE tbg. Down 1 hr, air control on slips failed. RU Blue Jet Wireline. RIH with wireline set RBP, stopped @ 1669.5', set RBP @ 1668'. RIH with dump bailer and spotted 2' sand on top of RBP. RD Blue Jet, RIH with 5 joints tbg. Loaded hole and tested RBP and casing to 1000 psi -held OK. ND BOP and removed tubing head. Installed FMC Service 4-1/2" frac valve. RU Blue Jet, RIH and perforated 1636-1659' with 3 x 0.34" hole per ft. RD Blue Jet. Secured well and SIFN.

***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 October 16, 2003

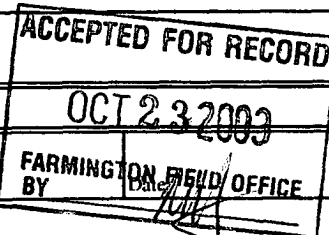
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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)

NMOC

10/11/03 RU Halliburton Energy Services. Held safety meeting. Pressure test pumps and lines to 4500#. Pumped 250 gal of 15% HCl at 4 BPM saw break at 662 psi. Pumped 15,000 gal 20# x-link gel pad. Frac well with approx. 80,000# of 20/40 Brady sand in 20# x-link gel (Delta 140 Fluid). Pumped sand in 1, 2, 3 & 4 ppg stages with sand wedge additive. AIR: 26.6 BPM, MIR: 33.3 BPM, ATP: 1514#, MTP: 1810#. Job complete @ 08:25 hrs 10/11/03. RD Halliburton Energy Services. Total fluid pumped 1033 bbls. Opened well thru 1/4" choke to flow back tank at 10:00 hrs 10/11/03. Well blew down immediately. Secure location and left well open to flow back tank. Note: Well start clean out on Monday morning. Will have night watch on location.

10/13/03 Found well dead. Remove frac valve and install wellhead. NU BOP. PU retrieving head, RIH on 2-3/8" tubing. Tag up on sand/fill at 1560'. RU pump and lines. Break circulation with produced water. Circulate out frac sand down to 1640' and hit hard spot. Attempted to rotate down with tongs very little progress. Install tubing swivel and rotate down thru hard spot. Continued cleaning out hard sand down to RBP (well continued to circulate good thru perforated interval). Latch onto RPB and open unloader. Let well equalize, pull RBP free and TOH. Lay down RBP. Shut well in, secure location and SDON. Note: Noticed tight spot in casing from 1640' - 1645'. Had to rotate thru to get down and pulled 15K over to get back up.

10/14/03 Found well with ~50 psi, bleed pressure down. TIH with pump bailer. Tag fill at 1676'. Clean out down to 1711' before bailer quit. TOH and clean out tubing/bailer. TIH finished cleaning out to PBTD (1771'). TOH and clean out bailer/tubing. Note: hydraulic pump quit, unable to use tongs (used pipe wrench, very slow going). SWI, secure location & SDON.

10/15/03 Found well with ~10 psi. Bleed pressure down. TIH with cut off tail joint, seating nipple and 54 joints of 2-3/8", J-55, 4.7# tubing, landed bottom of tubing at 1742' KB, seating nipple at 1721' KB. Land tubing with donut in well head. ND BOP and NU WH. RUTS. Made 8 swab runs. Initial fluid level was ~1500'. Well swabbed down after 8 runs. Recovered approx. 2 to 3 bbls of fluid. RD swabbing equipment. PU 2" x 1-1/4" x 12' RHAC insert pump and RIH on 67 each 3/4" plain rods and 1 each 8', 1 each 6' and 1 each 4' pony subs. Install polish rod and stuffing box. Seat and space out pump. NU horsehead and bridle and hang off rods. Load tubing with produced water and pressure test tubing to 500 psi - held OK. Had Roustabouts realign pumping unit and re-manifold tubing/casing valves to flowlines. RDMOL.