Distribution: O+4 (BLM); 1-Accounting; 1-Land; 1-File UNITED STATES FORM APPROVED Form 3160-5 Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR June 1990) BUREAU OF LAND MANAGEMENT Expires: March 31, 1993 Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals 7. If Unit or CA. Agreement Designation SUBMIT IN TRIPLICATE Type of Well Gas X Other Well Well **SWD** Well Name and No. Pot Mesa No. 2 Name of Operator API Well No. Merrion Oil & Gas Corporation (14634)30-031-20888 Address and Telephone No. 10. Field and Pool, or Exploratory Area (505) 327-9801 610 Reilly Avenue, Farmington, NM 87401-2634 Location of Well (Footage, Sec., T., R., M., or Survey Description) SWD: Mesaverde 11. County or Parish, State 1785' fnl & 2175' fel (sw ne) McKinley County, Section 10, T20N, R6W **New Mexico** CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Change of Plans X Notice of Intent Abandonment Recompletion **New Construction** Plugging Back Non-Routine Fracturing Subsequent Report Water Shut-Off Casing Repair Conversion to Injection Altering Casing Final Abandonment Notice Dispose Water Other (Note: Report results of multiple completion on Completion or Recompletion Report and Log form.) Describe Proposed or completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)* Merrion Oil & Gas proposes to plug and abandon the subject well according to the attached procedure. We are continuing study on the development of a productive Fruitland sand or coal in the area. If logs indicate that this formation will not produce hydrocarbons in paying quantities, we request that the Fruitland plug be deleted. I hereby certify that the foregoing is true and correct 9/19/00 Title Engineer Date Connie S. Dinning (This space for Federal or State office use) Approved By Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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

PLUG & ABANDONMENT PROCEDURE

9/18/00

Pot Mesa #2

WC Mesaverde 1785' FNL and 2175' FEL, Section 10, T-20-N, R-6-W McKinley Co., New Mexico

Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures.

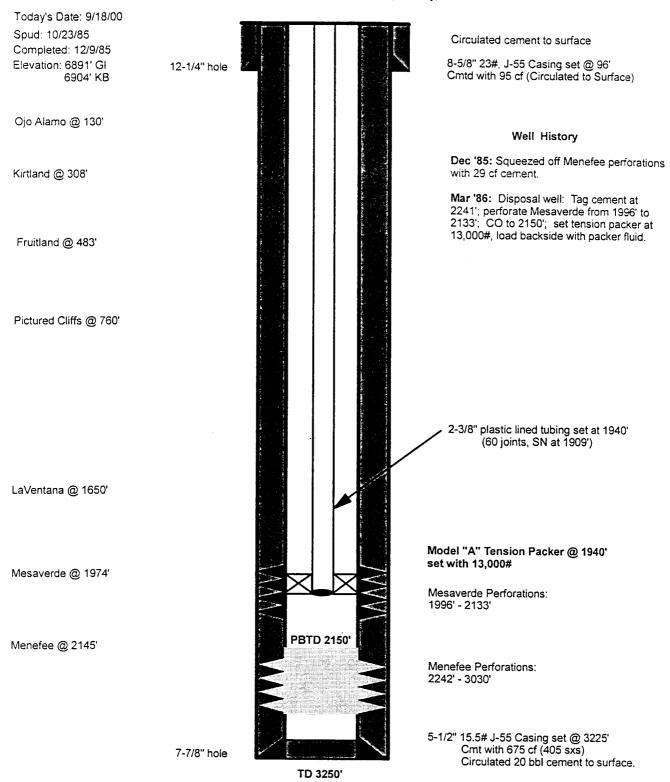
- 1. Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and Merrion safety regulations. MOL and RU daylight pulling unit. NU relief line. Blow down well and kill with water as necessary.
- 2. Release packer (in tension), then TOH and tally 2-3/8" tubing (60 joints, total 1940'); visually inspect the tubing and LD packer. If necessary LD tubing and PU workstring. If unable to pull packer determine freepoint by stretch calculation and determine if the tubing is good.
- 3. Plug #1 (Menefee top, Mesaverde interval and LaVentana top, 2133' 1600'): If able to pull packer then set a 5-1/2" CIBP or cement retainer at 1946'. TIH with open-ended tubing and tag. Load casing with water and circulate clean. Pressure test casing to 500#, if casing does not test then spot or tag subsequent plug as appropriate. Mix 45 sacks cement and spot a balanced plug above the CIBP to isolate the Mesaverde perforations and to cover LaVentana top. PUH to 810'.
- 4. Plug #2 (Pictured Cliffs top, 810' 710'): Mix 17 sxs cement and spot a balanced plug inside the casing to cover Pictured Cliffs tops. PUH to 533'.
- 5. Plug #3 (Fruitland top, 533' 433'): Mix 17 sxs cement and spot a balanced plug inside the casing to cover Fruitland tops. PUH to 358'.
- 6. Plug #4 (Kirtland, Ojo Alamo and Surface casing shoe, 358' Surface): Establish circulation out casing valve. Mix and pump approximately 40 sxs Class B cement from 358' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut in well and WOC.
- 7. ND BOP and cut off casing below surface. Install P&A marker with cement to comply with regulations. RD, Move off location, cut off anchors and restore location.

Pot Mesa #2

Current

WC Mesaverde

NE Section 10, T-20-N, R-6-W, McKinley County, NM



Pot Mesa #2

Proposed P&A

WC Mesaverde

NE Section 10, T-20-N, R-6-W, McKinley County, NM

Today's Date: 9/18/00 Spud: 10/23/85 Completed: 12/9/85 Elevation: 6891' GI

6904' KB

12-1/4" hole

Ojo Alamo @ 130'

Kirtland @ 308'

Fruitland @ 483'

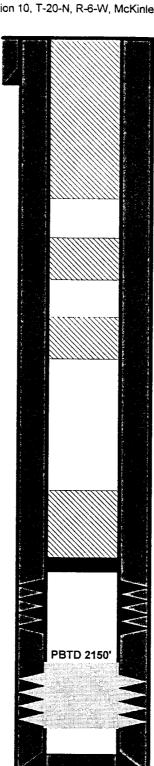
Pictured Cliffs @ 760'

LaVentana @ 1650'

Mesaverde @ 1974'

Menefee @ 2145'

7-7/8" hole



TD 3250'

Circulated cement to surface

8-5/8" 23#, J-55 Casing set @ 96' Cmtd with 95 cf (Circulated to Surface)

> Plug #4 358' - Surface Cmt with 40 sxs Class B

Plug #3 533' - 433' Cmt with 17 sxs Class B

Plug #2 810' - 710' Cmt with 17 sxs Class B

Plug #1 1946' - 1600' Cmt with 45 sxs Class B

Set 5-1/2" Cmt Retainer @ 1946'

Mesaverde Perforations: 1996' - 2133'

Menefee Perforations: 2242' - 3030'

5-1/2" 15.5# J-55 Casing set @ 3225' Cmt with 675 cf (405 sxs) Circulated 20 bbl cement to surface.