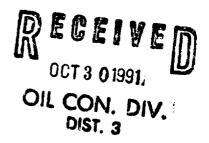
cc: 5 BLM, 1 Well File 1 Jamie Clark, 1 Owen/Lopez, 1 Dennis Butler SF Energy UNITED STATES FORM APPROVED Form 3160-5 Budget Bureau No. 1004-0135 (June 1990) DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 **BUREAU OF LAND MANAGEMENT** 5. Lease Designation and Serial No. NM-83728 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name 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 1. Type of Well X Oil Well 8. Well Name and No. Kahuna Grande #1 2. Name of Operator MERRION OIL & GAS CORPORATION 9. API Well No. 3. Address and Telephone No. P. O. Box 840, Farmington, NM 87499 505/327-9801 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Wildcat 11. County or Parish, State 1765' FNL & 1780' FEL Sec 33, T16N, R6W McKinley County, NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Notice of Intent Abandonment Change of Plans Recompletion New Construction Plugging Back Non-Routine Fracturing Casing Renair

13. 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.)*

Drilling History

Attached please find a copy of the drilling history for this well.



Dispose Water

Compission or Recompission Report and Log form.)

/	
14. I hereby certify that the foregoing is true and correct Signed	Date10/22/91
Approved by Ley Mondy Title RIO PUERCO RESOURCE AREA Conditions of approval, if any:	Date OCT 28 1991

On Report October 1, 1991

Summary: Move Salazar rig and equipment to location. Move mud and surface pipe and equipment to location. Started clearing drilling pad. Dig pits. SDON. (ARM)

October 2, 1991

Summary: Hauling water, lining pits.

Detail: RU rig and equipment. Finish digging pits. Haul equipment to location. Lined pits, would not hold water. Wait on new liner. Haul water. (ARM)

October 3, 1991 Day No. 1

TD: 256' KB

Current Operation: WOC

Detail: Work on pits, line pits. Spud at 9:30 a.m. Drill 12-1/4" surface hole in 13 hrs. Circulate. Drop survey. POH. RU to run csg and run 6 jts 8-5/8", 32 lb/ft, 26 lb/ft to 252' KB (length 245.69'). RU cementers. Cement 8-5/8" @ 252' KB as follows: Establish circ w/ 15 Bbls $\rm H_2O$. Mix and pump 200 sx "G", 2% CaCl, yield 1.18 ft/sk, density 15.6 lb/gal. Circ 5 Bbls to surface. Est top inside pipe 215'. Plug down 6:15 a.m. WOC. (ARM)

Survey: #1 1/2° 256' M.D.

October 4, 1991 Day No. 2

TD: 330' KB

Current Operation: Drilling

Detail: WOC 9.5 hrs. NU BOP. Kill lines, flow lines. Pressure test BOP to 900 psi. TIH. Tag cement 205'. Drill cement. Drill out from under surface using 7-7/8" bit #2. (ARM)

October 5, 1991 Day No. 3

TD: 950' KB

Current Operation: Trip for bit #3, Pipe Stuck

Detail: Drill 22 hrs. Trip for bit #3, pipe stuck @ 750'. Try to work pipe free. (ARM)

Survey #2: 760' 2°

October 6, 1991 Day No. 4

TD: 1200' KB

Current Operation: Drilling

Detail: Work pipe. Blow hole dry w/ air. Free pipe. POH. (bit

under gauge.) Ream hole back to TD. Drill 6 hrs. (ARM)

October 7, 1991 Day No. 5

TD: 1450' KB

Current Operation: Trip for Bit #4, Tight hole

Detail: Drill 13 hrs. Run survey. Drill 2 hrs. Trip for bit #4. Tight hole. Work pipe out of hole. (1020' working pipe).

(ARM)

Survey #3: 1250' 2-1/2°

October 8, 1991 Day No. 6

TD: 1450' KB

Current Operation: Circulating. Work on rig.

Detail: Circulate hole. Work pipe. RU surface jars. Jar pipe

free. Circ hole. Repair rig. Wait on welder. (ARM)

October 9, 1991 Day No. 7

TD: 1450' KB

Current Operation: Circulating to clean up hole.

Detail: Repair rig, circulate. Circulate to try to work pipe up

hole, could not. (ARM)

October 10, 1991 Day No. 8

TD: 1830' KB

Current Operation: Drilling.

Detail: Drilled 6.5 hrs w/ Bit #3. POH. TIH w/ Bit #4. Drilled

13 hrs. (ARM)

Survey #4: 1750' 2°

October 11, 1991 Day No. 9

TD: 2100' KB

Current Operation: Drilling.

Detail: Drilled 15 hrs. Trip for Bit #5. Drill 4 hrs. (ARM)

October 12, 1991 Day No. 10

TD: 2290' KB

Current Operation: Drilling.

Drilled 6 hrs. Trip for Bit #6. Drill 12 hrs. Trip for Detail:

Bit #7. (ARM)

2-1/2° 2,250' Survey #5:

October 13, 1991 Day No. 11

TD: 2590' KB

Current Operation: Drilling.

Detail: Drilled 24 hrs. (ARM)

October 14, 1991 Day No. 12

TD: 2860' KB

Current Operation: Drilling.

Drilled 15 hrs. (Losing circulation at a slow rate.) Mix mud and LCM. (Trying to get good circulation.) Drilled 4 hrs.

(ARM)

October 15, 1991 <u>Day No. 13</u>

3000' KB

Current Operation: Cutting Drilling Line.

Detail: Drilled 16 hrs. Trip for Bit #8. Slip and cut drilling

line. (Note: No noticeable mud loss since 4:00 pm, 10-14-91.)

(ARM)

2-1/2° 2,780' Survey #6:

October 16, 1991 Day No. 14

TD: 3273' KB

Current Operation: Circulating, WO Logger

Detail: Drilled 12 hrs. Circulate samples. Drilled 6 hrs. TD

@ 7:00 am 3273'. (ARM)

October 17, 1991 Day No. 15

TD: 3273' KB

Current Operation: Waiting on Fishing Tools

Detail: Circulate, wait on loggers. Trip out. RU Schlumberger. Run IFS Induction, FDC log from TD to surface. PU RFT tool. RIH to Entrada. Took 3 formation pressures. Set @ 3155' KB. Run test to catch sample. Unable to move.

Ordered out fishing tools. (ARM)

October 18, 1991 Day No. 16

TD: 3273' KB

Current Operation: TIH w/ Drill Pipe

Detail: Wait on fishing tools. Pick up side-door overshot. RIH. Latch onto fish. POH. Lay down fish. Run RFT and test Hospah @ 955' KB w/ fluid sample, and 929' KB. Lay down logging tools and catch fluid samples. TIH open-ended w/ DP. (ARM)