

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on re-  
verse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back or to change the purpose of a well.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

|  |  |  |  |
|--|--|--|--|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>   |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>NM 04073                        |  |
| 2. NAME OF OPERATOR<br>Merrion Oil & Gas Corp.   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME                                   |  |
| 3. ADDRESS OF OPERATOR<br>P. O. Box 840, Farmington, New Mexico 87499  |  | 7. UNIT AGREEMENT NAME   |  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.<br>See also space 17 below.)<br>At surface<br>2250' FNL and 750' FEL |  | 8. FARM OR LEASE NAME<br>Megabyte Com                                  |  |
| 14. PERMIT NO.   |  | 9. WELL NO.<br>i   |  |
| 15. ELEVATIONS (Show whether DF, RT, GR, etc.)<br>7449' GL   |  | 10. FIELD AND POOL, OR WILDCAT<br>NEO to Undesignated Gallup/Dak ext.  |  |
|  |  | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br>Sec. 30, T26N, R2W |  |
|  |  | 12. COUNTY OR PARISH<br>Rio Arriba                                     |  |
|  |  | 13. STATE<br>New Mexico  |  |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO:                      |   | SUBSEQUENT REPORT OF:   |  |
|--|---|---|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/>   | REPAIRING WELL <input type="checkbox"/>  |
| FRACTURE TREAT <input type="checkbox"/>      | MULTIPLE COMPLETE <input type="checkbox"/>    | FRACTURE TREATMENT <input type="checkbox"/>   | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/>    | ABANDON* <input type="checkbox"/>             | SHOOTING OR ACIDIZING <input type="checkbox"/>  | ABANDONMENT* <input type="checkbox"/>    |
| REPAIR WELL <input type="checkbox"/>         | CHANGE PLANS <input type="checkbox"/>         | (Other) <u>Drilling History</u> <input checked="" type="checkbox"/>                                   |  |
| (Other) <input type="checkbox"/>             |   | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |  |

17. 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 is attached.

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

SIGNED

TITLE Operations Manager

DATE 4/21/87

(This space for Federal or State office use)

ACCEPTED FOR RECORD

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APR 23 1987

\*See Instructions on Reverse Side

FARMINGTON RESOURCE AREA

BY Smn

MEGABYTE NO. 1

4/4/87

Complete dirtwork on location. Set anchors in concrete. Location ready for Four Corners Drilling rig 14. Surface pipe on location. (JCA)

4/7/87 Day No. 1

Current Operation: waiting on cement @ 258' KB.

MIRU, drill rat hole, mouse hole, spud 12-1/4" surface hole to 258' KB. T.O. Run 6 jts 9-5/8" 36 lb/ft J-55 surface casing to 250' KB and cement with 125 sx Class 'B' 3% CaCl<sub>2</sub>. TOC @ surface. Plug down @ 6:45 p.m. WOCT. (Four Corners Drilling)

4/8/87 Day No. 2

TD - 2420. Current Operation: drilling.

Mud weight 8.9, viscosity 36, water loss 7.6. TIH with 8-3/4" bit no. 2 and drilled for 9.25 hours to 1724'. TOH. TIH with 8-3/4" bit no. 3. Drilled 696' and ran surveys as follows: 592' - 1/2; 1091' - 1-1/2; 1247' - 1-1/4; 1467' - 1; 1686' - 1-3/4; 1936' - 1-1/4; 2219' - 1-1/2.

4/9/87 Day No. 3

TD - 3600'. Current Operation: drilling. Progress: 1180'.

Mud weight 9, viscosity 35, water loss 8. Continuing to drill with 8-3/4" bit no. 3. Surveys run as follows: 2499' - 1-1/4; 2812' - 1-1/2; 3127' - 1-3/4; 3352' - 1-1/2. (Four Corners Drilling)

4/10/87 Day No. 4

TD - 4212'. Current Operation: drilling. Progress: 612'.

Mud weight 9.1, viscosity 58, water loss 8. TOH with bit No. 3 at 4100'. TIH with 8-3/4" bit no. 4. Surveys run as follows: 3657' - 1-1/4; 4061' - 3/4; 4104' - 3/4. (Four Corners Drilling)

4/11/87 Day No. 5

TD - 4852'. Current Operation: drilling. Progress: 640'. Mud weight 9.1; viscosity 43; water loss 7.0; LCM - trace. Continuing to drill with bit no. 4. Surveys: 4339' - 1-1/2; 4461' - 3; 4526' - 2-3/4; 4588' - 3; 4650' - 2-3/4; 4714' - 2-1/2; 4839' - 2-3/4. Lost circulation 1-1/4 hours. (Four Corners Drilling)

4/12/87 Day No. 6

TD - 5455'. Current Operation: drilling. Progress: 603'. Mud weight 9.0; viscosity 47; water loss 7.0; LCM - 3%. Continuing to drill with bit no. 4. Surveys: 4942' - 2-1/2; 5058' - 2-1/4; 5183' - 2; 5308' - 2. Lost circulation: 25 Bbls at 4911' and 20 Bbls at 4945'. (Four Corners Drilling)

4/13/87 Day No. 7

TD - 5809'. Current Operation: drilling. Progress: 354'. Mud weight 9.1; viscosity 48; water loss 7.0; LCM - 3%. TOH @ 5529' with bit no. 4. TIH with 7-7/8", J-22 bit no. 5. Surveys: 5495' - 2; 5769' - 1-3/4. (Four Corners Drilling)

MEGABYTE NO. 1

4/14/87 Day No. 8

TD - 6268'. Current Operation: drilling. Progress: 459'. Mud weight 9.0; viscosity 46; water loss 8.0; LCM - 4%. Continuing to drill with bit no. 5. (Four Corners Drilling)

4/15/87 Day No. 9

TD - 7068'. Current Operation: drilling. Progress: 800'. Mud weight 9.1; viscosity 47; water loss 7.0; LCM - 4%. TOH with bit no. 5 at 6300'. TIH with 7-7/8" RP19 bit no. 6. Lost 75 Bbls seeping from 6665' - 6710'. Surveys: 6300' - 1-1/2; 6399' - 1; 6865' - 1-1/2. (Four Corners Drilling)

4/16/87 Day No. 10

TD - 7876'. Current Operation: circulating. Progress: 808'. Mud weight 9.0; viscosity 65; water loss 8.0; LCM - 10% TOH with bit no. 6 at 7876'. Lost circulation at 7180' - 475 Bbls. (Four Corners Drilling)

4/17/87 Day No. 11

TOH with drill pipe. Rig up Welex. Ran induction, density, fracture profile open hole logs. Rig down loggers. TIH with drill pipe. Trip out laying down drill pipe and collars. Rig up to run casing. (CCM)

4/18/87 Day No. 12

Ran 5-1/2" production casing and cemented as follows:

| <u>ITEM</u>                              | <u>LENGTH</u>   | <u>DEPTH KB</u> |
|--|-----------------|-----------------|
| Cement nose guideshoe                    | .80'            | 7877.00'        |
| 1 jt. 17#/ft K-55 casing                 | 41.63'          |                 |
| Differential fill float collar           | 1.68'           | 7823.89'        |
| 38 jts. csg: 14 jts. 17# & 24 jts. 15.5# | 1595.54'        |                 |
| Stage tool                               | 1.68'           | 6235.67'        |
| 54 jts. 15.5#/ft csg.                    | 2275.37'        |                 |
| Stage tool                               | 1.68'           | 3958.62'        |
| 95 jts. 15.5#/ft csg.                    | <u>3978.63'</u> |                 |
| Total string:                            | 7897.01'        | 20' above KB    |

Casing descriptions:

544.10' threads off 13 jts. 5.5" 17#/ft csg. on bottom (delivered 4/16/87)  
82.80' threads off 2 jts 5.5" 17#/ft csg Voest Alpine K-55 from Lybrook yard  
7264.27 173 jts 5.5" 15.5#/ft K-55 LTC csg Pusan Steel Corp. (Lybrook yard)  
7891.17' total pipe threads off.

Stopped to circulate at 5500' KB and 6400' KB. Annulus not staying full all the time. Got circulation back both times after pumping 25 Bbls mud, all mud containing 10% LCM, 55 viscosity. Circulated last jt of csg in to clean out 10' of fill. TD 7879' KB. Pulled 20' off bottom. Circulated bottoms up and rigged up Western Co. to cement as follows:

MEGABYTE NO. 1

10:00 am (4/17/87) Cement 1st stage as follows:

Pumped 10 bls water ahead of 250 sx Class 'H' cement with 2% gel, 1/4#/sk cellophane flake and 6-1/4#/sk gilsonite, yield 1.22 cu.ft./sk (305 cu.ft.). Shutdown. Washed pump and lines dropped indicating plug and displace with 39 Bbls water and 148 Bbls mud. Bumped plug to 1200 psi. Released pressure. Float held. Plug down at 11:20 am. Dropped bomb. Wait 40 minutes. Opened stage tool at 6236' KB and circulated five hours between stages.

Start 2nd stage at 3:50 pm. (4/17/87) Pumped 10 Bbls water ahead of 160 sx Class 'B' cement with 2% chemical extender, yield 2.06 cu.ft./sk., 12.7#/gal (329.60 cu.ft.) followed by 50 sx Class 'H' cement with 2% gel, 1/4#/sk cellophane flake and 6-1/4#/sk gilsonite - yield 1.22 cu.ft./sk, 15.6#/gal (61 cu.ft.) Shut down, wash up pump and lines, dropped closing plug and displace with 54 Bbls water and 95 Bbls mud. Bumped plug and closed stage tool at 4:45 pm to 2,800 psi. Bled pressure off. Held good. Dropped opening bomb. Waited 30 minutes. Opened stage tool at 3960' KB. Circulated three hours between stages.

Start 3rd stage at 8:00 pm. Pump 10 Bbls water ahead of 150 sx Class 'B' cement with 2% chemical extender and 50 sx Class 'H' cement with 2% gel, 1.4#/sk cellophane flake, and 6-1/4#/sk gilsonite, yield - H 1.22 cu.ft./sk; B - (2.06 cu.ft./sk) total 370 cu.ft.

Shut down. Wash pump and lines. Dropped closing plug. Displace with 95 Bbls water. Pressure up to 2500 psi. Released pressure. Tool closed good. Rigged down cementers. Set casing in slips as cemented. Cut off casing. Begin rigging down Four Corners Rig #14 11:00 pm 4-17-87. Will run bond log on completion.