Distribution: O+4 (BLM); 1-Accounting; 1-Land; 1-File UNITED STATES Form 3160-5 FORM APPROVED (June 1990) DEPARTMENT OF THE INTERIOR Budget Bureau No. 1004-0135 **BUREAU OF LAND MANAGEMENT** Expires: March 31, 1993 Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELLS **SF**-081101 Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. If Indian, Allottee or Tribe Name Use "APPLICATION FOR PERMIT-" for such proposals. SUBMIT IN TRIPLICATE 7. If Unit or CA, Agreement Designation Type of Well Oil Gas X Well Well Name of Operator Slice No. 2 (14634) RECEIVED Merrion Oil & Gas Corporation API Well No. Address and Telephone No. OLCON MY 30-045-30243 610 Reilly Avenue, Farmington, NM 87401-2634 Dist. (505) 327-9801 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) WAW Fruitland Sand **Pictured Cliffs** 0 820' fsl & 1800' fel (swse) 11. County or Parish, State Section 4, T26N, R12W San Juan County, New Mexico 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 Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other Spud, Csg, & TD reports Dispose Water (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.)* 10/12/00 MIRU L&B Speed Drill. Spud 8-3/4" hole to 131' KB. Ran 3 joints of 7", 23#, J-55 surface casing with CL on bottom joint. Landed at 131' KB. RU American Energy, cement surface casing with 5 bbls water ahead of 55 sxs (65 cu.ft.) of Class 'H' with 2% CaCl2. Displace with 4 bbls of water. Circulated approx. 25 cu.ft. of good cement back to surface. RD cementers. WO cement. 10/13-15/00 NU BOPs. RIH with drill string, pressure test to 600 psi for 30 mins. Drill out with 6-1/4" bit to 550' KB. Circulate clean. Drill ahead with 6-1/4" bit to 1250' KB. Circulate clean. SD for weekend. Drilled to TD at 1550' KB. Circulate clean. POH. RU Schlumberger and run IES Induction, GR, Compensated 10/16/00 Neutron-Density logs from TD to surface. *** CONTINUED OTHER SIDE *** Title Drlg & Prod Manager 10/31/00 Signed Steven S. Dunn ACCEPTED FOR RECORD This space for Federal or State office use) Title 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 an FARMINGTON OF IELD WITH A WILLIAM STATES AND A WILLI

presentations as to any matter within its invisdiction

Oct. 17,2000

RU casing crew. Ran 35 joints (1501.19') of 4-1/2", 11.6#, 1-55, LT&C new casing and set at 1501' GL. Tagged fill at 1490' GL. PU kelly and circulated last joint of casing down. Ran cement nose guide shoe on bottom and insert float valve on top of shoe joint at 1456' GL. Ran 3 centralizers as shown on the tally. RD casing crew. Circulated air out. RU American Energy. Preceded cement with 10 bbls of produced water followed by 115 sxs (237 cu.ft.) of Class 'H' with 2% sodium metasilicate, 4#/sx gilsonite, and 1/4#/sx celloflake. Tailed with 60 sxs (71 cu.ft.) of Class 'H' with 1/4#/sx celloflake and 4#/sx gilsonite. Good circulation throughout job. Reciprocated pipe while pumping cement. Displaced cement with 23 bbls of water and down at 1030 hrs 10/17/00. Bumped plug to 1000# - held OK. Circulated 11 Displaced cement to surface. RD cementers and set casing slips. RDMOL. WOCT.