Submit 3 Copies To Office	nit 3 Copies To Appropriate District State of New Mexico						Form C-	
District I Energy, Minerals and Natural Resources				WELL API		ised March 25,	1999	
1625 N. French Dr., Hobbs, NM 87240 District II					30-045-31280			
811 South First, Artesia, NM 87210 OIL CONSERVATION DIVISION					5. Indicate Type of Lease			
District III 1000 Rio Brazos Rd., Aztec, NM 87410 2040 South Pacheco 2020 South Pacheco					STAT	• •	FEE 🗆	
District IV Santa Fe, IVIV 8/303				\	1 & Gas Leas			
2040 South Pacheco, Santa Fe, NM 87505 FEB 2003					A. Blate Of	i oc Gas Leas	3C 140.	
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A). DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C. 101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well Gas Well Other							greement Na	ime:
2. Name of Operator					8. Well No.	,		
MERRION OIL & GAS CORPORATION (014634)					002			
3. Address of Operator					9. Pool name or Wildcat			
610 Reilly Avenue, Farmington, New Mexico 87401-2634					BASIN FRUITLAND (71629)			
4. Well Location								
Unit Le	etter B :	1055 feet from	the Nor	th line and	2221 fe	eet from the	<u>East</u>	line
Section 2 Township 31N Range 8W NMPM San Juan, County								
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6710' GR								
11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data								
NOTICE OF <u>IN</u> TENTION TO: SUBSEQUENT REPORT OF:								
PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK					RK	☐ ALTE	RING CASIN	IG □
TEMPORARILY ABANDON				COMMENCE DR	ILLING OPNS.		S AND NDONMENT	
PULL OR ALTE	R CASING	MULTIPLE COMPLETION		CASING TEST A CEMENT JOB	ND			
OTHER:				OTHER: Soud	Casina & TD	Danonte		X
OTHER: Spud, Casing, & TD Reports 12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.								
1/13/03	Started buildin	g road and location.						
2/11/03	Move in and rigging up Aztec Well Service Rig. No. 124 on 2/11/03.							
Finished moving unit and remaining trailers onto location. Rig drilling unit and all related equipment. Repair drum clutch and pumps. Mix mud and start drilling rat hole/mouse hole with bit #1. Spud pilot hole with bit #1 (12-1/4", RTC, EHP-11) at 22:30 hrs 2/12/03. Drilled pilot hole to ~40'. TOH, change out bits and BHA subs. PU bit #2 (14-3/4", HTC, GTX) and spud surface hole at 02:45 hrs 2/13/03. Drilling ahead at report time at 100'. ROP picked up to ~50 fph after drilling 80'								
*** CONTINUED OTHER SIDE ***								
I hereby certify that the information above is true and complete to the best of my knowledge and belief.								
· /		V /)	•	•	-		0/04/00	
SIGNATURE	Mundy.		TLE	Drlg & Prod M	anager	DATE	2/24/03	
Type or print na	me STEVEN	IS. DUNN			Telephone No.	. (505)	327-9801	
APPPROVED BY DATE DATE								
Conditions of ap	oproval, if any:							

- TD surface hole with bit #2 (14-3/4", HTC, GTX) at 267' at 09:30 hrs 2/13/03. Circulate and run survey. TOH, RU casing crew and run 6 joints (247.75) of 10-3/4", 40.5#, J-55, ST&C casing and land at 263'. RU BJ Services and precede cement with 20 bbls of fresh water followed by 250 sxs (348 cu.ft.) of Type III cement with 2% CaCl2 and ¼# sk celloflake. Drop plug and displace cement with 22 bbls of fresh water. PD at 12:30 hrs 2/13/03. Circulated 10 bbls of good cement to the surface, hole staying full. SI holding 350 psi and WOC. Back off landing joint. NU bradenhead and BOP. Pressure test casing, BOP and related surface equipment to 1500 psi held OK. Re-string drilling line. TIH with bit #3 (9-7/8", HTC, GTS09C). Tag up on cement at 207'. Break circulation and drill out cement. Continue drilling new formation. Drilling at 530' at 90 fph at report time.
- 2/14/03 Continued drilling ahead with bit #3 (9-7/8", HTC, GTS09C). Developed problem with hydromatic (not working). SD and attempted to repair, unable to fix without removing friction plats and drive shaft. TOH to collars, SD to repair hydromatic. Just finishing repairs at report time. (Note: 12.5 hrs of lost time).
- **2/15/03** TIH after repairs, went back to bottom without any problems. Ran survey then continued drilling ahead with bit #3 (9-7/8", HTC, GTS09C). Drilling ahead at report time (40 fph).
- **2/16/03** Drilling ahead with bit #3 (9-7/8", HTC, GTS09C) and water and polymer. Drilling ahead at report time (45 fph).
- TD 9-7/8" hole with bit #3 (9-7/8", HTC, GTS09C) at 3277' KB. Circulate and condition hole. Pull short trip to drill collars. TIH, no fill, circulate and condition hole. TOH LDDP and BHA. RU casing crew and run 79 joints (3259.97') of 7-5/8", 26.4#, J-55, LT&C casing and land at 3274' KB, insert float at 3231' KB. Circulate casing on bottom. RU BJ Services and precede cement with 20 bbls of clean mud and 10 bbls of fresh water. Cement with 480 sxs (1,032 cu.ft.) of Type III with ¼#/sx celloflake and 2% SMS. Tailed with 100 sxs (157 cu.ft) of Type III with 2% gel. Displaced cement with 152.6 bbls of water. Circulated out 18 bbls of cement to surface. PD at 02:30 hrs 2/18/03. Good circulation throughout job, pressured up to 1500# float held OK. RD BJ. ND BOP, cut-off casing and set slips with 72K. Install tubing head, NU BOP at report time.
- NU BOP and change out kelly. Finish NU BOP and RU blooie line. Ready rig for 3-1/2" equipment. Pressure tested BOP, rams, and casing and related equipment to 1500 psi held OK for 30 min. Strap 4-3/4" drill collars, TIH with bit #4 (6-3/4", HTC, ATJ330). PU 3-1/2" drill pipe out of baskets and strap, TIH to 1750' and unload hole with air. Continue TIH to float collar. Unload hole with air and drill out float and cement with air mist (8 bbls of water/hr and 2 gals of soap/20 bbls of water). Continue drilling new formation. Drilled thru Fruitland coal to a depth of 3640'. Pumped soap sweep and clean up hole. TOH for logs at report time.
- 2/19/03 Finish TOH. RU Schlumberger Wireline Services (SWS). RIH with DEN/NEUT/GR logs. Loggers TD: 3640' KB. RD SWS. PU Weatherford A-1 under reamer, TIH. Break circulation and open arms at ~3280' (casing shoe at 3275'). Under ream 6-3/4" hole out to 9-1/2", from 3280' down to TD at 3640' KB. Circulate and pump soap sweep at TD to clean hole. Bleed down air pressure to close arms on under reamer. TOH, laying down drill pipe, drill collars and under reamer. RIH with 4 joints of 2-7/8" EUE tubing with F-nipple on bottom. Note: Ran wireline set tubing plug in F-nipple. Land tubing in wellhead with 3-1/2" tubing donut. ND BOP and install master valve. RD and ready equipment for rig move. Rig released from location at 06:00 hrs 2/20/03. WOCT.