

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
MERRION OIL & GAS CORPORATION

3a. Address
610 REILLY AVENUE, FARMINGTON, NM 87401

3b. Phone No. (include area code)
505-327-9801

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**990' FNL & 990' FEL
SECTION 20, T26N, R11W**

5. Lease Serial No.
SF-078899-A

6. If Indian, Allottee or Tribe Name

If Unit or CA/Agreement, Name, and/or No.
TO BE COMMUNITIZED

Well Name and No.
WESTERN C No. 1

9. API Well No.
30-045-05777

10. Field and Pool, or Exploratory Area
GALLEGOS GALLUP

11. County or Parish, State
SAN JUAN, NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other COMMINGLE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	WORK TO DATE
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

3/15/04 MIRU Professional Well Service #4. Spot pump and pit. Very 1st job for this rig, things going very slowly. Cancelled casing job until tomorrow. ND WH & NU BOP. TOH with 94 stands of 2-3/8" tbg. Lay flow line from casing to earth pit. Continue to work on rig. SWI, secure location & SDON.

3/16/04 RU San Juan Casing, ran 135 joints (5575.11') of 4", 9.5#, J-55, Ultra-FJ casing. Land bottom of casing at 5575' KB with casing mandrel. Float shoe at 5574' KB. RD casing crew. RU BJ Services and hold safety meeting. Pressure test pumps and lines. Loaded casing with produced water and established circulation. Pump 10 bbls of 5% CaCl2 spacer, 2 bbl fresh water spacer, 10 bbls FlowGuard spacer, 2 bbls fresh water spacer, followed by 20 sxs (81.2 cu.ft.) of Premium Lite HS with additives (for scavenger) then pumped 145 sxs (307 cu.ft.) of Premium Lite HS with additives (for tail slurry). Displaced cement with 68 bbls of water. PD at 19:50 hrs 3/16/04. Plug held - OK. Did not get any cement returns. Final pressure while bumping the plug was 2900 psi. Had constant circulation throughout job but did not appear to be getting full returns. RD BJ Services. SWI, secure location & SDON.

3/17/04 RU Blue Jet Wireline Services. RIH w/ CBL and run bond log from 5540' to surface. Good bond from 5540' to 1010'. Cement top at 1010', "spotty" cement from 1010' to surface. TIH w/ 2-3/8" tubing to ~5300'. RU Hurricane Air package. Unload hole with air and blow hole dry. TOH. RIH with 2" perforating gun and perforate the following depths at 1 spf: 4969', 80', 93', 5008', 76', 86', 88', 90', 92', 94', 5106', 08', 44', 54', 5206', 08', 10', 12', 19', 22', 24', 26', 28', 30' & 5244'. Total 25 holes, EHD: 0.28". SWI, secure location & SDON.

IN THE FUTURE, PLEASE REFER TO 43 CFR 3162.3-2

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

STEVEN S. DUNN

Title **DRILLING & PRODUCTION MANAGER**

Signature

Date **3/30/04**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

Date

FARMINGTON FIELD OFFICE

BY

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

NMOC

- 3/18/04** Found well with 245 psi. Open to flowback tank and bleed off pressure. After 40 mins well had bled down to a strong vent. ND BOP and remove well head. Install 10K frac valve. RU American/Key Energy Services. Ball off Gallup formation with 300 gals of 15% HCl and 37 each 1.3 SG ball sealers. Good ball action and complete ball off to 4000 psi. Surge off balls and displace remaining acid thru perfs. Open well to pit and bleed off pressure. Remove frac valve and install WH and NU BOP. TIH with 3-1/4" blade bit on 2-3/8" tbg. TIH to 5360' and knock balls off perfs. Unload hole with air package. TOH, ND BOP and remove wellhead. Install 10K frac valve and RU flowback manifold. Spot and fill sand trailer, frac tanks ready. Will frac 3/19/04. SWI, secure location & SDON.
- 3/19/04** RU American/Key Energy Services and hold safety meeting. Pressure test pumps and lines to 6000#. Frac well with 110,000# of 20/40 Brady in 70 Quality nitrogen foam. Pumped sand in 1, 2, 3 and 4 ppg stages. ISIP 2180 psi. Shut well in with 1880 psi, RD American/Key Energy Services. AIR 34.9 BPM, MIR 35.7 BPM, ATP 3825 psi, MTP 4150 psi. Job complete at 17:10 hrs 3/19/04. Total fluid pumped 398 bbls. Total Nitrogen pumped 776,080 scf. RU flow back manifold. Open well at 19:00 hrs 3/19/04. Initial pressure was 1200 psi. Lost approximately 100 psi every hr. At 06:00 hrs on 3/20/04 pressure was down to 100 psi. At 09:00 hrs, opened well thru 2" and pressure went to 0 psi. SWI, secure location and SD for rest of weekend.
- 3/22/04** Found well with 300 psi. Open well to flowback tank and bleed off pressure slowly. Well blew down in approx. 20 mins. Remove frac valve. Install well head and NU BOP. RU flowlines and manifold into flowback tank. TIH with 3-1/4" bit, bit sub and 2-3/8" tubing to 4950'. Unload hole with air. Continue TIH tag up on sand/fill at 5346'. Break circulation with air/mist (14 BW/hr and 1/2 gal of soap/hr). Clean out sand down to 5489' well making light to medium sand. Pump soap sweeps and blow hole to clean up. Cut mist and dry up hole. Pull up to 4925'. SWI, secure location & SDON.
- 3/23/04** Found well with 100 psi. Open well to flowback tank and bleed off pressure slowly. Well blew down in approx. 10 mins. Change out stripping head. TIH with 3-1/4" bit, bit sub and 2-3/8" tubing tag up on sand/fill at 5324' (~160' of sand came in overnight). Establish circulation with air/mist (8 BWPH and 1/2 gal of soap/hr). Clean out sand down to 5550', well making heavy sand. Blew well from 5550'. After 2.5 hrs sand returns diminished. PU power swivel to drill out cement shoe at 5573'. Unable to get power swivel to work properly (leak in hydraulics). Lay down power swivel and blow well. Dry up hole and pull up to 4925'. SD to repair power swivel. SWI, secure location & SDON.
- 3/24/04** Found well with 250 psi. Open well to flowback tank and bleed off pressure slowly. Well blew down in approx. 20 mins. TIH and tag up on sand/fill at 5459' (~91' of sand came in overnight). Establish circulation with air/mist (8 BWPH and 1/2 gal of soap/hr). Clean out sand down to 5550'. PU power swivel and drill out cement shoe at 5573' continue TIH. Tag up solid at 5595'. Continue drilling. Made ~3' in 2 hrs. Good circulation with air/mist but not getting any other returns (no metal, cement and sand, etc.). Pump soap sweep and dry up hole. TOH. Bit looked OK. TIH with 1 stand (for slickline/after frac gamma ray in the morning). SWI, secure location & SDON.
- 3/25/04** Found well with 50 psi. Open well to flowback tank and bleed off pressure. RU Testeller Slickline and Protechnics, RIH and run after frac tracer scan log. RD slickline. TIH with 3-1/4" mill, crossover and 2-3/8" tubing. Tag up at 5595' (no fill overnight). Trouble with power swivel (rig up separate hydraulic system to power swivel). Drill out obstruction at 5595'. Hard time working pipe thru 5595' down to 5620'. Circulated out chunks of rubber (ball sealers?). Pumped soap sweeps and cleaned up well. Worked pipe from 5595' - 5620' until there was no drag or torque. Hang back swivel and continue TIH to 5921' (just above composite plug at 5930'). Running out of daylight, will drill out plug in AM. Pull up to 4970'. SWI, secure location & SDON.
- 3/26/04** Found well with 190 psi. Open well to flowback tank and slowly bleed off pressure. TIH to 5920' - no fill overnight. PU power swivel and break circulation with air/mist (8 BWPH and 1 gal of soap/hr). Drill out composite bridge plug at 5930'. Continue cleaning out to PBTD at 6108' KB. Blow hole clean. Cut mist and dry up hole. SD air and lay down power swivel. TOH. Hung up on tight spot at ~5610' KB. Work pipe but unable to pull free. PU power swivel and break circulation with air/mist. Finally work pipe free. Lay down power swivel and continue TOH. Pull up to ~4950 (above top perf). SWI, secure location & SD over weekend.