

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Sundry Notices and Reports on Wells

1. Type of Well:

☒ Oil Well ☐ Gas Well ☐ Other:

2. Name of Operator:

Merrion Oil & Gas Corp

3. Address & Phone No. of Operator:

610 Reilly Ave Farmington, NM 87401 505-324-5300

4. Location of Well, Footage, Sec., T, R, M:

Unit B (NWNE) 990' FNL & 1750' FEL, Sec. 20, T25N, R8W, NMPM

5. Lease Number:

SF-078474

6. If Indian, All. Or Tribe Name:

NA

7. Unit Agreement Name:**8. Well Name & Number:**

Keeling #1

9. API Well No.:

30-045-05299

10. Field and Pool:

Duffers Pt Gallup/DK

11. County and State:

San Juan County

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA**Type of Submission:**

- ☐ Notice of Intent
- ☒ Subsequent Report
- ☐ Final Abandonment

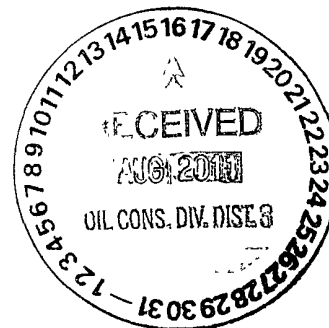
Type of Action:

- ☐ Acidize
- ☐ Alter Casing
- ☒ Casing Repair
- ☐ Change of Plans
- ☐ Convert to Injection
- ☐ Deepen
- ☐ Fracture Treat
- ☐ New Construction
- ☐ Plug & Abandon
- ☐ Plug Back
- ☐ Production (Start/Resume)
- ☐ Reclamation

- ☐ Recomplete
- ☐ Temp Abandon
- ☐ Water Disposal
- ☐ Water Shut-off
- ☐ Well Integrity
- ☐ Other.

13. Describe Proposed or Completed Operation:

Please see attached final report for the casing repair on the above mentioned well.



Tubing weight & grade?

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

Signed Philana Thompson Philana Thompson Title Regulatory Compliance Spec. Date 8/9/11

(This space for Federal or State Office use)

APPROVED BY _____ Title _____ Date _____

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

A

7/1/11

PU tensions packer and RIH w/ 61 jts. Set packer @ 1948' KB, test above 520#: held solid for 15 min, test below 500#: dn to 440# in 12 mins. RIH w/ 5 jts and set packer @ 2107' KB, test below 500#: dn to 480 in 5 mins w/ average bleed rate of 2.5 psi/min over 15 min period, test above 500#: dn to 480# in 30 min. RIH 55 jts and set packer @ 3850' KB, no test on either side had communication. RIH and set packer @ 4047' KB, test below 530#: dn to 525# in 10 min, dn to 515# in 35 min. TOOH and lay dn tension packer. PU arrowset packer and RBP in tandem. RIH 34 stands and set RBP @ 2182' KB. TOOH w/ 7 jts and set packer @ 1945' KB, test below 1400#: dn to 1250# in 2 min, dn to 1000# in 5 min, dn to 900# in 10 min. RIH and PU RBP. Set RBP @ 4056' KB and set packer @ 3656' KB, test below 1350#: dn to 1150# in 2 min, dn to 1000# in 5 min, dn to 850# in 10 min. Unset packer and SD over holiday weekend. 300 psi will be on location for 2 stage treatment on the 2008'-2102' KB and 3764'-3932' KB intervals on 06-Jul-2011.

7/6/11

RIH and spot 625 gal 300 PSI treatment w/ EOT @ 3992' KB. Displaced treatment w/ 5 bbls of fresh water. POOH w/ 9 jts and set packer @ 3689' KB. Squeeze treatment by walking pressure up from 700# to 1500# in small increments, allowing time between pressuring up to see change in bleed rate. At the end of the staging, had 75 gals squeezed away and bleed rate @ 1500# was 25 psi/min (dn from 100 psi/min). Left 1500# on tbg w/ N2 bottles. Will load tbg in the AM and evaluate results. SDON

7/7/11

Tbg equalized w/ N2 bottles @ 1200#. Release pressure and load tbg w/ 46 gals (squeezed around a bbl away over night). Pressure up to 500#: dn to 465# in 15 min, 460# in 30 min. Pressure up to 540#: dn to 525# in 15 min, 520 in 20 min. Pressure up to 850#: dn to 820# in 6.5 min, 800# in 12 min. Bleed pressure to 525#: dn to 520# in 15 min. 61 gals away. Pressure up to 800#: dn to 740# in 15 min. Pressure up to 1000#: dn to 925 in 15 min. Pressure back up to 1000# w/ fluid and put N2 on @ 1050# overnight. SDON

7/8/11

Tbg 1050# and bottles 1500#. Release pressure and load tbg w/ 20 gals. Pressure up to 540#: dn to 520# in 2.5 min, 510# in 5 min. Worked 300 psi from 800# to 1500# w/ discouraging results of 5-50 psi bleed per min. Walked pressure to 2000#, had bleed off of 100 psi/min. Shattered suction valve on third cylinder of pump. Professional brought pump from the yard. Pump had very difficult time reaching pressures above 1000#, send for new pump. Worked 300 PSI from 1000# to 2000#, bleed rates around 50 psi/min. Estimated 100 gals of 300 PSI still in tbg. Pressure tbg up to 1850# and put N2 manifold on tbg. Put 1500# on tbg w/ N2 to leave overnight. SDON.

7/9/11

Tbg and bottles equalized @ 1200#. Released pressure and load tbg w/ 22 gals. Pressure test to 575#: dn to 550# in 3 min. Bleed pressure to 500#, held 10 min. Release packer and RIH to 3814' KB. Set packer and pressure test below to 750#: dn to 725# in 3 min, 725# in 10 min, 720# in 15 min. Slight communication seen up the csg. Release packer and RIH to 4056' KB and circulate out remaining 300 psi chemical (approx 2 bbls). Latch onto RBP and release. POOH to 2147' KB and set RBP. Pull 1 jt and set packer @ 2104' KB. Test RBP, no test (packer not

holding). Could not get packer to set in tension. Round trip for new packer. RIH to 2104' KB, set packer and test RBP to 700#, Held 10 min. Release packer and spot 440 gals of 300 PSI, displace w/ 65 gals of fresh water. Shut in csg and pull up to 1978' KB. Set packer and start squeezing treatment. Pressure up to 625#: dn to 525# in 5 min. Pressure up to 1100#: dn to 1000# in 5 min. Pressure up to 1240#: held 25 min. Pressure up to 1340#: dn to 1290# in 8 min. 8 gals away. Pressure up to 1510#: dn to 1490# in 5 min, dn to 1450# in 10 min. Attempted to bring pressure back up to 1500#, pressure fell dn to 1250#: dn to 1010# in 5 min. Pressure up to 1190#: held 6.5 min. Pressure up to 1430#: dn to 1425# in 5 min. Brought pressure up to 1550 w/ N2 and leave on N2 bottles overnight. Tbg: 1550# and bottles: 2500#. SDON

7/10/11

Tbg: 1600#, bottles: 2100#. Release pressure and load tbg w/ 2 gals. Pressure test 720#, held 15 min. Bring pressure back up to 1550# w/ N2 and leave on N2 overnight. SDON

7/11/11

Tbg: 1500# and Bottles: 2150#. Load tbg and pressure test 500#, held for 15 min. RIH to 2147' KB and circulate out 300 PSI. Latch RBP and release. Leave tools unset and pressure test csg 500#: dn to 410# in 30 min. Pressure up to 530#: dn to 490# in 30 min. Pressure up to 580#: dn to 525# in 30 min. Bump pressure up to 640#: dn to 600# in 30 min. Bump pressure up to 640# and let it stabilize, bleed pressure dn to 550# and start charting: dn to 530# in 30 min w/ no stabilization at the end of the test. Release pressure and pressure up to 720# and let stabilize, bleed pressure dn to 550# and start charting: dn to 530# in 30 min w/ no stabilization at the end of the test. Release pressure and pressure up to 730# and let stabilize, bleed pressure to 560# and start charting: dn to 540# in 30 min.

7/12/11

Perform MIT w/ OCD, pressure up to 560#: dn to 540# in 30 min and held for 8 min. OCD signed off on MIT. TIH w/ 4-3/4" bit, change over, bit sub, 6 drill collars and 40 stands. Spot air package, bring air online @ 1350 cfm and unload hole to 2734' KB. Cut air and release pressure. TIH 38 stands, bring air online @ 1350 cfm and unload hole to 5178' KB. Cut mist pump and dry up hole. Cut air and release pressure. Shut in tbg and csg. SDON. Will dry test in the AM

7/13/11

Had 1100# on csg. Blow dn to flowback tank, mostly gas. TOOH and lay dn bit, bit sub and stand back drill collars. PU Arrowset packer w/ unloader and TIH to 5159' KB. Attempt to set packer 3 times, unsuccessful. Packer moving up hole when pulling 15K over. Pull 1 jt and attempt to set packer @ 5126' KB 2 times. Packer moving up hole when pulling 20K over. Set dn hard twice on packer to pack off and pull 10K over. Shut in tbg and csg, shut dn for lunch. Lost the 10k that was pull over after 45 min. Blow dn tbg, very strong gas blow for 5 min. Blow dn csg, slightly less gas for 2-3 min. Suspect communication around packer. Unset packer and had stonger blow on csg. Belief that pressure came from under the CIBP. Pull 1 stand and bring air online at 1350 CFM, 10 bph mist at 450# dn tbg. Gas came around @ 5 min, Oil @ 15 min approx. 2-3 bbls, water @ 30 min approx 2-3 bbls, tbg pressure stayed between 450-500#. Cut air and release pressure @ 1 hr. Had approx. 15 bbls total back to flowback tank. TOOH w/ packer and PU bit, bit sub and drill collars. RIH to 5194' KB and tag CIBP. Pull up one jt and shut in well. SDON.

7/14/11

Csg had 800#. Blow dn to flowback tank, mostly gas. PU power swivel and bring air online @ 1350 cfm, 10 bph, 500#. Unload hole, some oil (1-2 bbls) and little water (around a barrel). Shut dn air and release pressure. RU to reverse. Bring air back online @ 1350 cfm, 12 bph. Start drilling CIBP, drilled approx 10" and CIBP fell dn hole. Circulate jt dn did not tag anything. Shut dn air and release pressure. Lay dn power swivel and RIH to 6570' KB and tag CIBP. PU power swivel and bring air back online 1350 cfm, 12 bph. Drill on CIBP 15 mins and fell to bottom. RIH and tag @ 6599' KB, off of tally (PBDT reported @ 6595' KB). Pull up to 5244' KB and SDON.

7/15 and 7/18.

Ran production string on Friday. Landed tbg @ 6033' KB. Dropped bumpering spring and chase to bottom w/ sand line. Shut in well over the weekend.

Csg 1400# and tbg 1500# on Monday 7/18. RDMOL. Getting separator and meter run together to put on location. Should be ready to go by the end of the week. Hope to bring well on next week and put on test to evaluate production.

