

Form 3160-5
(September 2001)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 deepen or 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 Ave., Farmington, NM 87401

3b. Phone No. (include area code)

(505) 327-9801

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1490' FSL & 790' FWL (NW SW)

Section 28, T25N, R9W

5. Lease Serial No.

SF-078309

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement, Name and/or No.

8. Well Name and No.

FEDERAL 28 No. 2E

9. API Well No.

30-045-26205

10. Field and Pool, or Exploratory Area

BISTI LOWER 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Add Gallup perforations
	<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 shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final insection.)

5/13/03 MIRU Road Runner No. 102 on 5/13/03. SITP 200 psi. Blew well down. POH with pump, 50 x 3/4" rods, 126 x 5/8" and 76 x 3/4" rods. Removed wellhead, installed BOP. TOH with 201 joints of 2-3/8", 4.7#, J-55, 8rd, EUE tubing, seating nipple and mud anchor.

5/14/03 SITP 170 psi. Blew well down. TIH with 3-7/8" bit, 4-1/2" casing scraper and 198 joints of 2-3/8", 4.73, J-55, EUE tubing to 6287', TOH. RU BWWC, RIH set WL and RBP at 6250'. POH. Dumped 5 gals sand down casing. RIH with tension packer 1 joint and set. Filled hole with 4% KCl water. Had trouble getting air out of casing, last test pressure to 3500#, bled off 500 psi to 3000 psi in 4 mins. Decision made to proceed with workover. POH with packer, ran Correlation log 4200'/6252'. RIH with dump bailer and dumped 15 gals 15% HCl

(CONTINUED OTHER SIDE)

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

Steven S. Dunn

Title Drilling and Production Manager

Signature

Date June 2, 2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Title

Date

Office

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 reverse)

5/14/03 (CONTINUED)

(5624' to 5636'). POH. RIH with 3-1/8" casing gun and shot 1 hole at each of the following depths: 5366', 5369', 5384', 5387', 5392', 5398', 5415', 5448', 5472', 5518', 5521', 5524', 5533', 5551', 5553', 5558', 5577', 5606', 5610', 5618' and 5634'. POH, reset tension packer 1 joint in. RU American Energy broke down perfs with 4% KCl at 2200 psi. Pumped 500 gals 15% HCl at 5.5 BPM, 2150 psi and 30 ball sealers. Displaced with water, bailed off perfs to 3700 psi. Surged hole to remove balls. Finished displacing acid, bled well off. LD packer. RD American Energy. RIH with junk basket and POH recovered 1 ball sealer and some wire. RD BWWC. SDON. (Will install wellhead protector and frac well 5/16/03).

5/15/03 Installed wellhead saver. Shut down, waiting on frac tomorrow.

5/16/03 SICP 0 psi. RU American Energy to frac well. Installed WSI wellhead protector. Tested surface lines to 4600 psi. Frac'd down casing using 70-quality nitrogen foam:
Pumped 55 bbls foam pad @ 34 BPM, 3460-3380 psi
Pumped 36 bbls foam with 1 ppg sand @ 33 BPM, 3380 psi
Pumped 49 bbls foam with 2 ppg sand @ 32 BPM, 3145-3450 psi,
Pumped 62 bbls foam with 3 ppg sand @ 32 BPM, 3450-3200 psi,
Pumped 38 bbls foam with 4 ppg sand @ 29 BPM, 3280-3480 psi,
Displaced with 26 bbls foam @ 34 BPM, 3475-3350 psi.
Shut down 10:18. ISIP 2100 psi, 5 min SIP 1967 psi, 10 min SIP 1955 psi, 15 mins SIP 1940 psi. RD American Energy. RU to flow well back. Opened well to tank on 1/4" choke @ 12:36 - 1950 psi. Pressure 250 psi @ midnight - removed choke and continued flowing to tank. Well died at 4:00 AM 5/17/03.

5/19/03 SICP 900 psi. Blew well down. TIH with bailer. Tagged fill @ approx. 6150'. Co sand fill to RBP @ 6250' and TOH. TIH with retrieving tool and bailer. CO 5' fill, latched onto RBP, released and TOH. LD RBP and bailer. Turned well to tank. SDON.

5/20/03 Found well flowing to tank at 0 psi. Finished LD tools. Broke out line to flowback tank. SD due to high winds. Left well flowing to production tank. SDON.

5/21/03 Found well flowing to tank at 0 psi. TIH with mud anchor, perforated sub, seating nipple and 203 joints of 2-3/8", 4.7#, J-55, 8rd, EUE tubing. Tagged fill at 6449'. TOH, TIH with bulldog bailer. CO 11' sand fill to 6460', could not get any deeper. TOH and LD bailer. Secured well and SDON. Left well flowing to production tank. Replaced 6 bad joints tubing.

5/22/03 Found well flowing to tank at 0 psi. RIH with 24' mud anchor, 4' perforated sub, seating nipple and 202 joints of 2-3/8", 4.7#, J-55, 8rd tubing. LD 2 additional joints bad tubing, landed tubing with seating nipple at 6414', EOT 6445. ND BOP, installed WH. RU to swab, made 1 swab run to seating nipple to clean tubing, found FL @ 3800'. TIH with pump, 40 - 3/4" sucker rods, 126 - 5/8" sucker rods and 90 - 3/4" sucker rods. LD 71 - 3/4" rods and replaced with 72 - 3/4" sucker rods with rod guides. Spaced out with 1 each 2', 4' and 6' ponys. Hung well on. RDMOL. Note: Replaced total of 8 joints tubing.