

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

5. Lease Serial No.
NM-106650

6. If Indian, Allottee or Tribe Name
2005 AUG 10 AM 11 38

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

8. Well Name and No.
BUNNY TRACKS No. 1

9. API Well No.
30-039-29389

10. Field and Pool, or Exploratory Area
GAVILAN PC/BASIN FRUITLAND

11. County or Parish, State
RIO ARriba, NM

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)
505-324-5300

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1855' FNL & 670' FWL
Section 14, T24N, R2W**

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 DRLG, TD & CSG REPORTS
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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.)

7/31/05 Moved Frontier Drilling Rig 1 onto location @ 7:00 AM 7/31/05 and rigged up. SD to work on rig.

8/2/05 Finished rig repairs. NU BOP.

8/3/05 Worked on rig. Drilled rat hole and mouse hole. Tested manifold, valves and BOP to 500 psi. BOP bolt was lost in hole while nipling up. PU magnet and TIH with DCs. Washed down to TOC. POOH. No recovery. PU used bit and TIH. Cleaned out cement to float. Drilling on bolt. TOO. RIH with magnet. POOH and recovered bolt. TIH with bit #1. Drilled out cement from float to 7" shoe. Drilled formation from 254' to 543'.

8/4/05 Drill formation 543' to 713'. Ran survey. Drilled formation 713' to 1200'. Ran survey. Drilled formation 1200' to 1726'. Ran survey. Drilled formation 1726' to 1816'. Serviced rig. Drilled formation 1816' to 2140'. Surveys: 713' @ 1/2", 1200' @ 1/2", 1776' @ 3/4"

****CONTINUED OTHER SIDE****

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

STEVEN S. DUNN

Title **DRLG & PRODUCTION MANAGER**

Signature

Date

08/09/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Title

Date

AUG 12 2005

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.

Office

**FARMINGTON FIELD OFFICE
BY *[Signature]***

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)

NMOCD

- 8/5/05 Drill formation 2140' to 2195'. Circulated hole for trip. TOOH for bit change. Rig service. Jetted pits. TIH with bit #2, bridges @ 1807' and 1900'. Washed 2091 to 2195', drilled formation 2195' to 2695'. Mudded up morning tower. Heavy rain overnight – had trouble getting water trucks into well. Survey: 2195' @ 3/4°
- 8/6/05 Drill formation 2695' to 2762'. Survey @ 2762'. Drilled formation 2762' to 2814'. Switched pumps and jet pits. Drilled formation 2814' to 2908'. Serviced rig. Drilled formation 2908' to 3073'. Serviced rig. Drilled formation 3073' to 3126'. Worked on fuel system. Drilled formation 3126' to 3203'. Survey: 2762' @ 3/4°
- 8/7/05 Drill formation 3203' to 3261'. Lost circulation @ 3261'. Drilled to 3263' and worked thru lost circulation zone. Regained circulation. Conditioned mud and added LCM. Drilled formation to 3293'. Circ hole and ran survey. Drilled formation 3293' to 3325'. Serviced rig. Drilled formation 3325' to 3386'. Serviced rig. Drilled formation 3386' to 3428'. Survey: 3293' @ 1-1/4°
- 8/8/05 Drilled formation 3428' to TD @ 3500'. Raised visc. to 70 sec while drilling below 3482'. Circulated hole 1 hour. Made 12 std short trip. TOOH for logs. Wait on Schlumberger. RU Schlumberger. RIH to bottom @ 3470' and logged well. Hole tight in spots. RD Schlumberger. TIH for wiper run. Survey: 3500' @ 1-1/4°
- 8/9/05 TIH for wiper run. – no restrictions, no fill. RU San Juan Casing. TOOH laying down drill pipe and collars. RU to run casing. RIH with 4-1/2" guide shoe, 1 joint 4-1/2", 10.5#, J-55 ST&C casing, 4-1/2" float collar, 9 joints 4-1/2", 10.5#, J-55, ST&C casing, 4-1/2" stage collar and 76 joints 4-1/2", 10.5#, J-55, ST&C casing. Centralizers on 1st, 3rd, 5th and 7th joints. Tagged fill @ ~3465', washed casing down to 3500'. Rigged up BJ Services, held safety meeting. Tested surface lines to 3500 psi, BJ Pumped 10 bbls water spacer, 10 bbls Mud Clean and 5 bbls water spacer. Mixed and pumped 30-sxs (10.5 bbls slurry) Premium Lite HS cement @ 4 BPM, 520 psi. Shut down and dropped plug. Displaced cement with 20 bbls water and 35.3 bbls mud @ 4-3.5 BPM 360 psi. Bumped plug with 1200 psi. Checked float – held ok. Dropped bomb and opened stage tool. Circulate thru stage tool 4 hrs circulate 3 bbls cement to surface. Pumped 10 bbls water spacer. Mixed and pumped 217-sxs (82.7 bbls slurry) Premium Lite FS cement @ 4 BPM, 340 psi followed by 30-sxs (10.5 bbls slurry) Premium Lite HS @ 4 BPM, 40 psi. Shut down and dropped plug. Displace with 49 bbls water @ 4 BPM, 180 – 830 psi. Bumped plug with 1970 psi. Circulated 3 bbls cement to surface. Checked plug – held ok. Plug down @ 0217 hrs 8/9/2005. RD BJ Services, ND BOP. Set slips and cut off casing. WOCT.