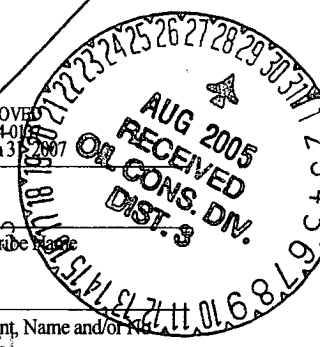


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**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. 1004-0188  
Expires: March 31, 2007



5. Lease Serial No.  
NM-47168

6. If Indian, Allottee or Tribe Name  
24

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

8. Well Name and No.  
CUSTER FEDERAL No. 1

9. API Well No.  
30-045-25974

10. Field and Pool, or Exploratory Area  
BASIN FRUITLAND COAL

11. County or Parish, State  
SAN JUAN, 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)  
790' FSL & 790' FWL  
SECTION 5, T25N, R8W

**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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 recomplate 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 recompletion 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.)

8/16/05 MIRU A-Plus on 8/16/05. Check pressure on well - Csg 50 psi/Tbg 20 psi, Bradenhead 0 psi. NU blow down lines, blow well down. Load the tubing with 2 bbls water, test tubing to 500 psi -OK. Unseat Pump, LD rods. Pull out with 79 x 3/4" rods and pump. ND WH, NU 8-5/8" flange and BOP. Test BOP. RU rig floor & tubing equipment. Tally 2-3/8", 4.7#, EUE tubing out of the hole. Pull out with 61 joints (2017'). TIH with open-ended tubing to 2017'. Pump 40 bbls water down the tubing. Plug #1 - mix and pump 40 sxs (52.8 cu.ft.) Type 3 (14.9#) cement from 2017' to TOC @ 1427'. LD tubing to 1422'. POH with 10 stands to 761'. Shut well in. SDON.

8/17/05 TIH and tag TOC @ 1521'. LD tubing to 1356', load the hole with 2 bbls water. Test casing to 700# - held 5 mins OK. Plug #2 - mix and pump 28 sxs (36.9 cu.ft.) Type 3 (15.1#) cement from 1356' to TOC @ 943'. LD all the tubing. RU WL, TIH and perf 3 HSC holes at 259'. RD Wireline. Load the hole and break circulation out the bradenhead with 9 bbls water. Plug #3 - mix and pump 81 sxs (106.9 cu.ft.) Type 3 (14.9#) cement from 259' with good cement returns out the bradenhead. Shut well in. RD tubing equipment and rig floor. Open well, wash up BOP, ND BOP and 8-5/8" flange. Dig out and cut off wellhead. Install marker with 5 sxs cement. RD rig and cement equipment and cut off anchors, move off location. Road rig and cement equipment to yard. Final Report. Note: Oscar Torres with BLM on location.

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed) **STEVEN S. DUNN** Title **DRLG & PRODUCTION MANAGER**

Signature Date **08/23/2005**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE** ACCEPTED FOR RECORD

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date **AUG 25 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**

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