(Instructions on page 2)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND	MANAGEMENT

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

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NM-106649

BY

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SUNDRY	NM-106649		
Do not use th	is form for proposals to drill or ell. Use Form 3160-3 (APD) for se	to re-enter an	6. If Indian, Allottee or Tribe Name
SUBMIT IN TRI	PLICATE- Other instructions or	reverse side	7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well Oil Well	Gas Well Other		8. Well Name and No.
2. Name of Operator MERRION C	OIL & GAS CORPORATION	2005	TWILIGHT ZONE No. 1 19. API Well No.
3a. Address 610 REILLY AVENUE, FARM	3b. Phone No 4INGTON, NM 87401 505-334-5	200 1100	30-039-23606 10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec., 7	T., R., M., or Survey Description)	فراه (م	GAVILAN PICTURED CLIFFS
1850' FSL & 1850' FEL (NW SECTION 12,T24N, R2W	SE)	CALLOL 6.8 12	11. County or Parish, State RIO ARRIBA, NM
12. CHECK AP	PPROPRIATE BOX(ES) TO INDICATE	NATURE OF NOTICE,	REPORT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
Notice of Intent	Acidize Deepen Alter Casing Fracture To	Production (S	Well Integrity
Subsequent Report	Casing Repair Change Plans New Cons Plug and A	· — —	Other COMPLETION
Final Abandonment Notice	Convert to Injection Plug and A Plug Back	Water Disposa	
testing has been completed. Fir determined that the site is ready 3/24/05 MIRU Hurricane 1 3/28/05 ND WH & NU BO rig pit, load hole with rig p Black Warrior. Pressure t	nal Abandonment Notices shall be filed only after a for final inspection.) Rig No. 6 on 3/24/05. Moved in and spotted op. Tally and PU 108 joints of 2-3/8" tubing pump/pit. RU Black Warrior Wireline Serv	pump and pit. SD for Holi , RIH to 3510'. TOH. Pun ice. RIH with CBL/GR run I, elevators broke unable to	n in a new interval, a Form 3160-4 shall be filed once mation, have been completed, and the operator has iday. In truck would not start, transferred water to n log from 3621' to 1600', TOC at 1933'. RD TIH. SWI, securedocation & SDON. Spotted
*** CONTINUED OTHER			
CONTINUEDOTHE	X SIDE ***		22 F RECEIN
			OTON 1C
			= -
			2 00
14. I hereby certify that the fore Name (Printed/Typed)			
CONNIE S. DIN	NING	Title ENGINEER	
Signature .)	Date	04/21/2005
	THIS SPACE FOR FEDERAL	OR STATE OFFICE	E USE
A		TM-	Pete
Approved by Conditions of approval, if any, are attached. Approval of this notice does not warrar certify that the applicant holds legal or equitable title to those rights in the subject lear which would entitle the applicant to conduct operations thereon.		Title	ACCEPTED FOR RECOR
		Office	JUL 2 5 2005
Title 18 U.S.C. Section 1001 and Title States any false, fictitious or fraudul	e 43 U.S.C. Section 1212, make it a crime for any lent statements or representations as to any matter	person knowingly and willfull r within its jurisdiction.	ly to make to any department or agency of the Unite FARMINGTON FIELD OFFICE

3/29/05 Change out elevators and TIH to 3510'. RU KPPS and spot 60 gal of 15% HCl. Pull up to 2470'. RUTS. Made 7 runs and recovered ~ 45 bbls of fluid. RD swab equipment. TOH. ND BOP & remove WH. Install 5K frac valve. RU flow lines & flowback manifold to flowback tank and frac valve. RU BWWC & RIH w/ 3-1/8" casing gun. Perforate the Pictured Cliffs formation at the following depths: 3447'-3452' (1 spf-5 holes) and 3478'-3490' (1 sp 2ft-11 holes) - Total of 16 holes (0.34" EHD). RD BWWC. RU KEY Pressure Pumping Services and hold safety meeting. Pressure test pumps & lines to 5,000#. Frac well w/ 92,000# of 20/40 Brady in 20# x-link gel. Pumped sand in 1, 2, 3 & 4 ppg stages. ISIP: 1,660 psi. AIR: 40.0 bpm, MIR: 41.0 bpm, ATP: 2,050 psi, MTP: 2,400 psi. Job complete at 15:45 hrs. 3/29/05. Total fluid pumped: 344 bbls. Note: tub sanded off during 4 ppg stage (w/ 8K of sand left to pump), lost sand conc. By-passed tub and went to flush. SWI & RD KPPS. Open well thru 1/4" choke at 17:00 hrs 3/29/05. Initial pressure was 1190 psi. Well flowing back foam w/ some sand. Turn over to night watch at 17:30 hrs.

3/30/05 At 02:00 hrs flowing pressure thru '4" choke was down to 160 psi. SWI because flow back tank was full. Drain flow back tank and open well back up at 07:30 hrs. Pressure was back up to 620 psi. Well continued to flow back water and foam w/ some sand. At 16:00 hrs pressure was down to 30 psi. Open to reserve pit thru 2". At 17:00 hrs pressure was back up to 130 psi and flowing water/foam w/ some sand. Recovered over 500 bbls of fluid since starting flow back. Let well flow to reserve pit thru 2" until 17:30. SWI, secure location & SDON.

3/31/05 Found well with 500 psi. Opened to flow back tank thru ¼" choke at 08:00 hrs. After 4-1/2 hrs well was down to a vent. Recovered additional 200 bbls of water (~700 bbls total). Ignited vent and let well flow to pit for 1 hr. Estimate gas flow 30 - 50 mcfd (very little fluid). Remove frac valve and NU BOP. TIH with tubing to 3510'. Pull up and land tubing as follows: 106 jts (3446.67') of 2-3/8", 4.7#, EUE tubing. Bottom of tubing landed at 3460' KB. Install pumping tee and full opening valve. RUTS. Made 6 runs and recovered ~ 43 bbls of fluid in 2 hrs. Casing pressure 35 psi and building. SWI, secure location & SDON.

4/01/05 Found well with 60 psi on casing and 120 psi on tubing. Open tubing to flow back tank – blew down quickly. RIH with swab and hit fluid level at ~ 1000'. Made 6 runs and recovered ~ 43 bbls in 2.5 hrs. Fluid level fluctuated between 1000' & 1100'. Casing pressure built up to 125 psi. RD swab equipment & SWI. RD rig and equipment.

Note: will return to location to rod up well as soon as surface equipment is set.

4/18/05 Road rig from Guinea Pig #1. MIRU Hurricane Well Service Rig #6 on 4/18/05. Found well with 150 psi on casing and 40 psi on tubing. Blew well down to reserve pit. ND WH and NU BOP. Note: had to clean coal dust out of BOP. Change out pipe rams. Tong dies and repair tong back ups. TOH with 2-3/8" and seating nipple. SWI, secure location and SDON.

4/19/05 Found well with 40 psi. TIH with tail joint, perf sub, seating nipple and 106 joints (3446.67') of 2-3/8", 4.7#, EUE tubing, bottom of tubing landed at 3480' KB, seating nipple at 3459' KB. Land tubing in wellhead with donut. ND BOP & NU WH. RIH with 2" x 1-1/4" x 12' RHAC insert pump on 136 ea. ¾" plain rods. Install polish rod and stuffing box. NU horsehead and bridle. Space out pump and hang off rods. (Note: T. Merilatt working on pumping unit – will start and let pump over night). Will check in morning before rigging down. SDON.

4/20/05 Pumping unit had died overnight. T. Merilatt re-adjusted pumping unit and re-started. Pumping OK. RD & MOL. Final Report.

SETTING EQUIPMENT AND TESTING

4/19/05 Roustabout crew set meter and meter run plumbed tubing to tank and casing to production unit, removed belt guard and tightened belts, reinstalled belt guard, greased pumping unit, hauled in and plumbed in propane tank. T-0, C-0, started pumping unit, unit very rod heavy, moved counterbalance out to the end of the crank arms, restarted unit, balance better, well pumped up in 45 minutes, 42" Stroke, 12 SPM, left unit running. (TLM)

4/20/05 Pressures: Tbg 0, Csg 0. Pumping unit down with drive belts off. Well made approx. 7 bbls water overnight. No estimation on how long the unit ran. Roustabouts and rig crew aligned the pumping unit with the wellhead. Roustabouts then removed belt guard, aligned the engine with the gear box sheave, reinstalled belt guard, replaced bad back pressure valve, tamped and added gravel to the pumping unit base, replaced bad ounce fuel gas regulator, and started pumping unit. After 1 hour Tbg 0, Csg 6 psi, left unit running with very good pump action. Gas test meter information: Plate 0.250, Spring 0-250 LB, 0-100" Chamber. Released roustabout crew, left location. Rig crew had rigged down and moved off. (TLM)