

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-045-05780

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

TO BE COMMUNITIZED

Lease Name or Unit Agreement Name

BLACKROCK C

Well Number

301

9. OGRID Number

014634

10. Pool name or Wildcat

GALLEGOS GALLUP (26980)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

MERRION OIL & GAS CORPORATION

3. Address of Operator

610 REILLY AVENUE, FARMINGTON, NEW MEXICO 87401

4. Well Location

Unit Letter C : 990 feet from the North line and 1650 feet from the West line

Section 21 Township 26N Range 11W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: **COMMINGLE** ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/25/03 Install new anchors. MIRU Professional Well Service Rig #3 on 6/25/03. Spot pump/pit. Spot air equipment and flow back tank. Found well with 210 psi on tubing and 0 psi on casing. RU Phoenix Slickline Services, RIH with 1.906 GR, hit tight spots at 4344'. Worked gauge ring down to 4357'. TOH. RIH with tubing plugs and set at 4342'. RD slickline unit. Load backside with 10 bbls of produced water. Casing pressured up to 300 psi but would not hold. Pumped into casing 1/4 bpm at 250 psi. ND WH & NU BOP. RU lines to flow back tank and air package. SDON.

6/26/03 RU BWWC, RIH with tubing punch to ~4346' and shoot 2 each (0.29") holes in 2-3/8" tubing. RU Red Man air package and attempt to circulate out water from backside, too much pressure for air package. RU rig pump, lines and break circulation with produced water. Brought air back on line and continued pumping until backside (tbg/casing) annulus was dry. PU pup joint and screw into donut. Work seal assembly free from Model 'D' packer, TOH with 187 joints of 2-3/8" tubing, 5 each tubing subs and 4" seal assembly. PU 5-1/2" casing scraper, RIH to ~4300', TOH with scraper. SDON.

6/27/03 Finish TOH with scraper. TIH with RBP set at 5768'. Pull up and load hole with produced water. Shut pipe rams and pressure test casing, did not hold - pumped into at 300 psi at 1/2 bpm. Dump sand on top of RBP and TOH. PU tension packer, TIH to 2026' set packer and pump down tubing - pressure held OK. Pull up hole and made multiple settings and determined that casing was leaking from 1645'-1457'. Pressure held OK above 1457' and below 1645'. TOH, LD packer. SDON.

DNF 11/31/AZ

**** CONTINUED OTHER SIDE ****

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Steven S. Dunn* TITLE Drlg & Prod Manager DATE July 21, 2003

Type or print name Steven S. Dunn E-mail address: sdunn@merrion.bz Telephone No. (505) 327-9801

(This space for State use)

APPROVED BY *[Signature]* TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUL 21 2003

Conditions of approval, if any:

6/28/03 TIH with 2-3/8" tubing to 1638'. RU AES. Break circulation with water. Mix and pump 50 sxs (59 cu.ft.) with Class "B" with 2% CaCl₂. Spot cement across 1638'-1201'. Pull up to 1127' and reverse tubing clean (recovered ~3/4 bbl of cement). Load hole and shut pipe rams. Hesitate squeeze cement to 1407'. Max squeeze pressure 850 psi. Last squeeze pressure was 500 psi. Appeared to be holding 450 psi OK. SWI, leaving 450 psi on tubing/casing. RD AES. SD for weekend.

6/30/03 Found well with 0 psi on tubing and casing. TOH, TIH with 4-3/4" bit, casing scraper, bit sub, 6 each 3-1/8" drill collars and 2-3/8" tubing. Tag cement at 1453' (50' lower than expected). PU and RU power swivel. Break circulation with produced water. Drill out cement to ~1650'. Circulate hole clean. Shut pipe rams and pressure test casing to 500 psi. Lost 80 psi in ~10 min. Pressured casing back up to 500 psi and SWI. SDON.

7/1/03 TOH with tubing, drill collars, casing scraper and bit. PU tension packer and TIH. Set packer at 1420' tested OK above packer. TIH to 1639' tested OK below packer. Made multiple settings and determined that casing was leaking between 1420' and 1483'. TOH LD packer. TIH with tubing open ended to 1474'. RU AES. Mix and pump 40 sxs (47 cu.ft.) of Class B with 2% CaCl₂. Spot cement from 1474' to 1123'. Pull up to ~972'. Reverse out ~1/2 bbl of cement. Shut rams and squeeze cement into casing. Displaced ~3 bbls before cement locked up at 950 psi. Holding pressure good. SWI. RD AES. SDON.

7/2/03 TIH with bit, casing scraper, drill collars and tubing. Tag up on cement at ~1190'. Break circulation with produced water and drill out cement down to ~1490'. Circulate hole clean. Shut rams and pressure test casing to 500 psi. Held OK for 15 min. Release pressure and TOH. SDON.

7/3/03 PU retrieving head and TIH on 2-3/8" tbg. TIH to ~2000' and unload hole with air. Continue TIH to ~4000' and unload hole. Continue down to 5870' and attempt to unload hole. Difficult time trying to get well to unload. Air package kept pressuring up and over heating. Made multiple attempts to unload well but air package continued to overheat. Called for mechanic to work on air pack. SD operations until Monday 7/7/03

7/7/03 Unable to get well to unload from 5730', after making multiple attempts. Pressured up to ~1000 psi, continued pumping and pressure remained ~1000 psi. SD air and pull up to ~3870'. Pump air/mist down tubing and finally got well to unload. TIH to 5730' and unload well again (suspect well was "soap locked"). Clean out sand on top of RBP w/ air/mist. Latch onto RBP and open unloader. Let well equalize. Release RBP and let well flow/bleed down. TOH, lay down RBP. SDON.

7/8/03 PU Baker "packer plucker". TIH on 3-1/8" DC's and 2-3/8" tubing. PU power swivel and break circulation with air. Circulate until mist/soap rates were adequate (15 BWPH and 2 gal of soap/hr). Rotate stinger into Model "D" packer at ~5900'. Continue rotating mill onto packer and mill out packer. Took approximately 2.5 hrs to mill out packer. Pump 3 bbl soap sweeps while working packer plucker thru tight spots. Well cleaned up good - no tight spots. TOH and lay down Model D packer body and packer plucker. SDON.

7/9/03 TIH with 4-3/4" bit, bit sub, casing scraper on 6 each 3-1/8" DC's and 2-3/8" tubing. Tag fill at 6060'. Break circulation with air/mist (12 BWPH and 1.8 gal of soap/hr). Established good returns and cleaned out down to ~6075'. Hit hard spot at 6075'. Unable to clean out any deeper, started having trouble circulating. Adjusted flow rate, water rate, and soap rate but returns continued to be sporadic, still unable to get past hard spot at 6075'. Air package booster started to overheat. Pump sweep and shut down air pack. Hang back swivel and start TOH. Pulled approx. 10 stands when draw works broke down (only able to pull in low gear). SD operations to fix draw works. SDON.

7/10/03 TOH with 4-3/4" bit, bit sub, casing scraper, DC's and 2-3/8" tubing. Bit looked OK. PU 4-3/4" junk mill and crossover sub, RIH on 6 each 3-1/8" DC's and 2-3/8" tubing. Tag fill at 6075'. Break circulation with air/mist (10 BWPH and 1.0 gal of soap/hr). Established good returns and cleaned out down to ~6110'. Power swivel power pack blew gasket. SD and RU power swivel to rig hydraulics. Pump was too small to adequately turn power swivel. Replaced gasket and re-hook hydraulic lines. Finish drilling out shoe joint down to 6125' and pumped 10 bbls soap sweep. SDON.

7/11/03 TOH with 2-3/8" tubing, drill collars and junk mill. RU BWWC. RIH with GR/CCL run from 6120' to 5270'. RIH with 5-1/2" RBP set at 5383' KB. RIH with dump bailer and dump sand on top of RBP. Load hole with ~50 bbls of produced water. RIH with CBL/GR/CCL. Ran log from 5372'-4479', found cement top at ~4630'. GR failed while running CBL. Re-ran GR across previously logged interval. RD WL. TIH with 2-3/8" tubing to ~4300'. Unload hole with air. Continue TIH to ~5300'. Unload hole with water. Blow well clean/dry. Start TOH. SDON.

7/12/03 Finish TOH with 2-3/8" tubing. RU BWWC, RIH with 3-1/8" casing gun (select fire) and perforate Gallup Formation at the following depths: 5009', 24', 38', 5120', 22', 45', 77', 88', 97', 5205', 26', 40', 46', 48', 52', 60', 61', 62' and 5278' (2 SPF - Total of 38 holes - EHD: 0.32"). RD BWWC. TIH with 70 stands of 2-3/8" tubing. Spot tubing trailer. Shut down for weekend.

7/14/03 LD 2-3/8" tubing and 3-1/8" drill collars onto trailer. Hauled collars and rental equipment back to Hi Tech Rentals and 2-3/8" tubing to M&R Trucking for storage. Spot trailer with 3 1/2" tubing. Change out to 3 1/2" equipment. PU Weatherford 10K packer, RIH on 161 joints of 3 1/2", EUE, J-55, tubing. Install donut and land tubing in well head. ND BOP. Install WSI B-2 coupler and 5K frac valve. Set packer at 4908' KB. Pulled 72K (tension) on packer. Set 32K down (compression) on packer and nipple up B-2 coupler/frac valve onto wellhead. (Leaving 32K (compression) on packer will allow for 18" of shrink during frac job). SWI, secure location & SDON. Will rig down & release rig in AM, Frac scheduled for 7/18/03.