

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
MERRION OIL & GAS CORPORATION3a. Address
610 REILLY AVENUE, FARMINGTON, NM 874013b. Phone No. (include area code)
505-324-5300

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

680' FSL & 1680' FWL
SECTION 21, T26N, R11W5. Lease Serial No.
SF-078899

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
JAZZ COM No. 29. API Well No.
30-045-3211510. Field and Pool, or Exploratory Area
BASIN FRUITLAND11. County or Parish, State
SAN JUAN, NM

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

report esg grade
8/27/06 MIRU Scorpion Drilling Rig #1 on 8/27/06. Spud 8 3/4" surface hole at 08:30 hrs 8/27/06 with bit #1 (8-3/4", RT). Drill to 136', circulate hole clean. TOH ran 3 joints of 7" (126.10'), 23# casing land @ 131' KB. RU Key Pressure Pumping Services. Precede cement with 5 bbls of water. Mix and pump 70 sxs (82.6 cu.ft.) of Type V with 3% CaCl2 and 1/4#/sx of celloflake. Displaced cement with 4 bbls of water. Circulated out 4 bbls of cement to surface. PD at 11:30 hrs 8/27/06. WOC. NU BOP,choke manifold and related surface equipment. RU testers and pressure test BOP,choke manifold, etc to 1500 psi (as per BLM requirements). SWI, secure location and SDON. Drilling ahead.
8/29/06 TD well at 1549' on 8/29/06. Circulate & condition hole. Pull up 10 jts.
8/30/06 TIH to 1549', no fill overnight. Circulate hole clean. TOH, laying down DP & DC's. RU Schlumberger and run DEN/NEUT/IND/GR logs. Logs reached 1556'. RD SWS. RU casing crew & run 40 jts (1540.78') of 4-1/2", 11.6#, J-55, LT&C casing & land @ 1546' KB. Insert float collar @ 1523' KB. Washcasing down & circulate for 0.5 hrs. RU Key Pressure Pumping Services (KPPS). Precede cement w/ 10 bbls of water. Mix & pump 120 sxs (247 cu.ft.) of Type "V" w/ 2% SMS, 3#/sx of Gilsonite & 1/4#/sx celloflake. Tail in with 60 sxs (70.8 cu.ft.) of Type "V" with 3#/sx of gilsonite and 1/4#/sx celloflake. Dropped plug & displaced cement w/ 23.7 bbls of water. PD @ 13:45 hrs. 8/30/06. Good circulation throughout cement job. Circulated out 20 bbls of cement to surface. Bumped plug to 1500# - held OK. Release pressure - float held OK. RD KPPS. ND BOP & set slips w/ 10K tension. Rig down rig and related surface equipment. RDMOL. WOCT.
Surveys: 136' @ 1/2", 500' @ 1/4", 1000' @ 1", 1500' @ 1"

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

STEVEN S. DUNN

Title DRILLING & PRODUCTION MANAGER

Signature

Date 09/06/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)

Include Hole size for 4 1/2" CSG

NMOC

