

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

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

Form C-103
May 27, 2004

WELL API NO.
30-045-33758

RCVD DEC 15 '06
OIL CONS. DIV.

5. Indicate Type of Lease
STATE ☒ FEE ☐

DIST. 3

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

REGGAE COM

8. Well Number

002

9. OGRID Number

014634

10. Pool name or Wildcat

BASIN FRUITLAND COAL/KUTZ PC, WEST

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, NM 87401

4. Well Location

Unit Letter P : 815 feet from the South line and 881 feet from the East line
Section 16 Township 26N Range 11W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6270'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☒ Completion

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.

12/6/06 MIRU Basin Perforators 12/6/06. RIH w/ perf gun, shot 1535' - 1546', 3 spf, 120° phasing, 0.43" holes, 37" penetrating charges. RDMOL, prep to frac tomorrow.

12/7/06 MIRU Key Pressure Pumping to frac 12/7/06. Set pop off valve to 4000#. Break down w/ well bore fluid, pump 500 gal 15% HCl. Did not see any break when acid hit. Follow acid w/ gel pad and ease rate up to 30 BPM. Ramped up sand starting at ¼ ppg, eased sand concentration up at every step to max 4 ppg. Pressure climbed steadily until the 2ppg sand hit the formation, then the pressure fell slowly through the remainder of the job. Flushed to top perf. Frac gradient never dropped below 1.3. ATP=1833#, MTP=2270#, AIR=31.3BPM, MIR=32BPM. ISIP=953#, Total fluid pumped=1313BBL, Total Sand=80660#. RDMOL, SI well overnight for closure

CONTINUED OTHER SIDE

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Drlg & Prod Manager DATE 12/14/06

Type or print name Steven S. Dunn E-mail address: sdunn@merrion.bz Telephone No. (505) 324-5300
For State Use Only

APPROVED BY: A. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE DEC 15 2006
Conditions of Approval (if any):

12/8/06

RU JC Well Service. Spot tubing trailer. Found well on a vacuum. Remove frac valve. Install tubing head and NU BOP. Tally and PU 2-3/8" tubing w/ notched collar on bottom & TIH w/ 26 jts. SWI, secure location & SDON.

12/9/06

Continue TIH w/ tubing. Tag up on sand/fill at 1700' KB (~ 10' of fill). TOH. PU cut off tail jt (w/ relief hole in upset), seating nipple and 51 jts of 2-3/8", 4.7#, J-55, EUE. Install donut and land tubing in well head. Bottom of tubing at 1615' KB, seating nipple at 1597' KB. ND BOP and NU WH. Ready rig to run rods. RIH w/ 2"x1-1/4"x12' RHAC pump on 63 ea. 3/4" rods w/ guides & 1 ea. 2' pony sub. Install polish rod and stuffing box. NU horse head and bridle. Space out pump and hang off rods. RU pump truck and pressure test pump and tubing to 500 psi – held OK. Started pumping unit w/ propane (from rig) to check pump action - looked OK. SWI. Notified Tim Merilatt. RD & MOL.