

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

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

WELL API NO. 30-045-33757	ROVD JAN12 2007
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> OIL CONS. DIV.	
6. State Oil & Gas Lease No. DIST. 2	
7. Lease Name or Unit Agreement Name REGGAE COM	
8. Well Number 001	
9. OGRID Number 014634	
10. Pool name or Wildcat BASIN FRUITLAND COAL	

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 **B** : **720** feet from the **North** line and **1760** 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.

12/11/06 Remove wellhead and install 5K frac valve. Pressure test valve and casing to 3500 psi – held OK. Spot frac tanks and fill w/ 2% KCl water. Water is Bloomfield, NM city water. RU Basin Wireline Services. RIH and run GR/CCL log. Correlated depth w/ Moncrief Com #1E, IND/GR open hole log ran 5/12/1985. RIH w/ 3-1/8" casing guns and perforate Fruitland Coal formation 3 spf, 120° phasing from 1580' – 1591' (total of 33 holes, EHD: 0.43", PD ~ 37"). RD Basin Wireline. SWI, secure location & SD. Scheduled to frac 12/12/06 w/ Key Pressure Pumping Services.

12/12/06 RU KEY Pressure Pumping Services and hold safety meeting. Pressure test pumps & lines to 4,800#. Pumped 12,335 gal pad of 20# x-link "Aqua-Safe" gel. Frac well w/ 80,000# of 20/40 Brady sand in 20# x-link "Aqua-Safe" gel. Pumped sand in 1, 2, 3 & 4 ppg stages at ~ 30 bpm. ISIP: 1125 psi, 5 min: 981 psi, 10 min: 965 psi, 15 min: 908 psi. AIR: 31 bpm, MIR: 32 bpm, ATP: 1,378 psi, MTP: 1,545 psi. Job complete at 16:25 hrs. 12/12/06. Total fluid pumped: 1130 bbls (job called for 1199 bbls). SWI & RD KPPS. Nolte plot was relatively flat through out sand stages.
Note: Unable to get 1st 180 bbls loaded onto gel unit to hydrate properly. Isolated one tank that had extremely high Fe count. Other 3 tanks OK. Dumped gel unit and called for additional 450 bbls and proceeded w/ job. Also, lost flow meter during pad. Estimate rate by strapping tanks and timing.

CONTNUED 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 Tyson Foutz TITLE Engineer DATE 1/12/2007

Type or print name Tyson Foutz E-mail address: tfoutz@merrion.bz Telephone No. (505) 324-5300

APPROVED BY: H. Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 2 DATE JAN 12 2007

1/3/07 Road rig to location from Jazz #2. MIRU JC Well Service on 1/3/07. Spot air package. Found well with 0 psi. ND horse head on pumping unit, removed frac valve and install wellhead and stripping head. PU and tally 2-3/8" tubing with notched collar on bottom. TIH and tag up on fill/sand at 1443' KB. RU lines from air package to well head and return lines from well head to flow back tank. Break circulation with air mist and unload hole. Clean out frac sand down to 1751' KB PBTD. Pump soap sweeps to clean up well. Cut air and pull up to 1441'. Shut well in, secure location and SDON.

1/4/07 Found well with psi. TIH to PBTD (1751' KB) – no fill. TOH. TIH with production string as follows: Cut off tail jt (w/ hole in upset), seating nipple and 51 jts (1629.59)' of 2-3/8", 4.7#, EUE tubing. Bottom of tubing landed at 1635' KB, seating nipple at 1617' KB (see tubing tally). Land tubing in well head w/ donut. Remove stripping head and NU well head manifold. RUTS. Found fluid level at ~ 800'. Made 10 runs and recovered ~ 16 bbls of fluid. RD swab equipment. RIH w/ 2"x1-1/4"x12' RHAC pump on 61 ea. 3/4" plain rods & 1 ea. 2' pony sub. Install polish rod and stuffing box. Load tubing w/ water and pressure up on tubing to 500 psi – held OK. Check pump action w/ rig – looked OK. NU horse head and bridle. Space out pump and hang off rods. Start pumping unit – well pumping OK. Roustabouts on location to check well. RD & MOL. **Final Report – Rig Released. WO TIE-IN.**