

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 ☐ Other

2. Name of Operator
MERRION OIL & GAS CORPORATION

3a. Address
610 REILLY AVENUE, FARMINGTON, NM 87401

3b. Phone No. (include area code)
505-324-5300

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1974' FSL & 799' FWL (NW SW)
SECTION 25, T30N, R13W

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007Lease Serial No.
SF-078213

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
PIEDRA VISTA No. 129. API Well No.
30-045-3399710. Field and Pool, or Exploratory Area
BASIN DAKOTA11. County or Parish, State
SAN JUAN, NEW MEXICO

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

7/30/07 Move D&J Drilling Rig #2 and equipment. Move onto location and rig up (derrick in air at 09:00 hrs). Mix mud, drill rat hole and mouse hole. Spudded 12-1/4" surface hole at 19:30 hrs 7/30/07 with bit #1 (12-1/4", RTC, RT). TD surface hole at 358', circulate and run survey. TOH to run surface casing at report time.
Surveys: 166' @ 3/4"; 318' @ 1"

7/31/07 Finish TOH. Rig up San Juan Casing Services and run 8 jts (334.53') of 8-5/8", 24#, ST&C casing land at 350' KB. RU Key Pressure Pumping Services and hold safety meeting. Preceded cement with 10 bbls of fresh water. Mix and pump 325 sxs (383.5 cu.ft.) of Type "V" cement with 2% CaCl2 and 1/4#/sx of celloflake. Mixed cement at 15.6 ppg. Drop plug and displace cement with 20 bbls of water. PD at 08:00 hrs 7/31/07. Circulated 25 bbls of cement to surface RD Key. WOC. Back off landing joint. NU WH, BOP, choke manifold and related surface equipment. PU test plug and have 3rd party (Hi Tech) pressure test BOP, pipe rams, blind rams, choke manifold and related equipment to 250 psi low and 2000 psi high. Pressure test casing to 600 psi for 30 mins, all test held OK. TIH with bit #2 (7-7/8", RTC, TD44). Install TIW floor valve and pressure test kelly cock to 250 psi low and 2000 psi high - held OK. All tests witnessed by C. Ollum with BLM. Continue TIH and tag cement at 310. Drill out cement with water. Continue drilling new formation with water and polymer. At 06:00 hrs drilling ahead at 1509', ROP ~ 160 fph.
Surveys: 813' @ 1"; 1309' @ 1/4"

***CONTINUED OTHER SIDE ***

RCVD AUG 23 '07
OIL CONS. DIV.

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

STEVEN S. DUNN

Title Drilling & Production Manager

DIST. 3

Signature

Date

08/13/2007

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)

NMOCB

ACCEPTED FOR RECORD

AUG 21 2007

FARMINGTON FIELD OFFICE
BY T. SANCHEZ

- 8/1/07 Continue drilling ahead w/ bit #2 (7-7/8", RTC, TD44) and water/ polymer. At 06:00 hrs drilling ahead at 3465', ROP ~ 80 fph. Surveys: 1836' @ 1-1/4°; 2333' @ 1/2°; 2834' @ 1-1/2°; 3334' @ 1°
- 8/2/07 Continue drilling ahead w/ bit #2 (7-7/8", RTC, TD44) and water/ polymer. At 3625' drilling rate became erratic and ROP continually decreased to ~ 15 fph at 3805'. TFB at 3805'. Bit was missing buttons and out of gauge by 1/8" to 1/4". TIH w/ bit #3 (7-7/8", RTC, TD44). Wash and ream hole from 3745' to 3805'. Continue drilling new formation w/ water and polymer. Ran 18K - 30K on bit from 3805' to 3895' before increasing WOB to 40K. At 06:00 hrs drilling ahead at 4140', ROP ~ 80 fph. Survey: 3851' @ 1°
- 8/3/07 Continue drilling ahead w/ bit #3 (7-7/8", RTC, TD44) and water/ polymer. Connections getting tighter and tighter. Start mixing mud at 4520'. Increase viscosity to ~ 45 and continue drilling. At 06:00 hrs drilling ahead at 4892', ROP ~ 35 - 40 fph. Survey: 4418' @ 3/4°
- 8/4/07 Continue drilling ahead w/ bit #3 (7-7/8", RTC, TD44). At 06:00 hrs drilling ahead at 5672', ROP ~ 30 fph. Surveys: 4944' @ MF; 4985' @ 3/4°; 5444' @ 3/4°
- 8/5/07 Continue drilling ahead w/ bit #3 (7-7/8", RTC, TD44). While drilling at 6234', lost circulation. Pull up 2 stds and mix 28 sx LCM pill and got partial returns. Continue mixing LCM (up to 6% in system) and got full returns. TIH to 6234' and circulate and condition mud w/ full returns for 2 hrs. TOH for Dakota bit at report time. Estimate ~ 200 bbls lost at 6234'. Survey: 5943' @ 1°
- 8/6/07 Finish TOH. Change out bits and TIH. Tag bridge at 5277' KB while TIH. PU kelly and wash thru bridge and continue TIH. Wash and ream last 5 jts to bottom. Continue drilling ahead w/ bit #4 (7-7/8", RTC, R40AP). At report time, drilling ahead at 6405' KB at ~ 15 fph (ROP). Have not lost any more fluid/returns since losing ~ 200 bbls at 6234'. Survey: 5943' @ 1°
- 8/7/07 TD well with bit #4 (7-7/8", RTC, R40AP) at 6575'. Circulate and run survey. Pull 10 std short trip - no drag, no fill. Circulated and condition mud for logs. TOH. RU Weatherford Logging Services at report time. Survey: 6535' @ 1°
- 8/8/07 Weatherford Logging Services ran IND/DEN/NEUT/GR open hole logs. Logger's TD was 6556'. RD Weatherford. TIH, tag 20' of fill. Clean out to bottom. Circulate and condition mud for casing. TOH, laying down drill pipe and drill collars. Change out rams. RU San Juan Casing Service and hold safety meeting. Run 4-1/2" casing. Washing casing to bottom at report time. Casing and cement details will be on tomorrow's report.
- 8/9/07 Ran 164 jts (6557.92') of 4-1/2", 11.6#, J-55, LT&C casing. Circulate casing to bottom - no fill. Land casing in well head with mandrel. Bottom of casing at 6571' KB, float collar at 6549' KB, marker joint at 6125', ACP at 4502', DV tool at 4499' (see csg. tally). Circulate. RU Halliburton Energy Services and hold safety meeting. Precede 1st stage cement with 10 bbls of water, 20 bbls "chem. wash", 10 bbls water spacer. Mix and pump 280 sxs (537.6 cf) of Halliburton Light Premium with 1/8#/sx Poly-flake & 5#/sx Gilsonite. Tail in with 130 sxs (153 cf) of "Type V" with 1/8#/sx Poly-flake, 5#/sx Gilsonite & 0.3% Halad R-9. Drop plug and displace with 40 bbls of water and 61.6 bbls of mud. Bump plug to 1500 psi. PD at 10:15 hrs 8/9/07. Release pressure and check floats - held OK. Pressure up and inflate ACP. Continue increasing pressure to 2900 psi & open DV tool. Resume circulating with mud. Good circulation throughout 1st stage job. Circulated 35 bbls of cement to surface. Precede 2nd stage cement with 10 bbls water, 10 bbls "chem. wash" & 10 bbls spacer. Mix and pump 500 sxs (960 cf) of Halliburton Light Premium with 1/8#/sx Poly-flake & 5#/sx Gilsonite. Tail in with 350 sx (455 cf) of 50/50 Poz "Type V" with 1/8#/sx Poly-flake & 5#/sx Gilsonite. Drop plug and displace with 69.8 bbls of water. Bump plug to 3500 psi. PD at 13:15 hrs 8/9/07. Release pressure and check float - held OK. Good circulation throughout 2nd stage job. Circulated 30 bbls of cement to surface. RD Halliburton. ND BOP. RD rig and equipment. Rig released at 18:30 hrs 8/9/07. Final Report.

Provide casing pressure test results on next sundry

TD = 6556' + 20'
= 6576'