

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
May 27, 2004

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

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.)		WELL API NO. 30-045-34371
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator MERRION OIL & GAS CORPORATION		6. State Oil & Gas Lease No.
3. Address of Operator 610 REILLY AVENUE, FARMINGTON, NEW MEXICO 87401		7. Lease Name or Unit Agreement Name FARMINGTON C COM
4. Well Location Unit Letter <u>E</u> : <u>1610</u> feet from the <u>SOUTH</u> line and <u>1400</u> feet from the <u>WEST</u> line Section <u>15</u> Township <u>29N</u> Range <u>13W</u> NMPM <u>SAN JUAN</u> County		8. Well Number <u>1E</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 014634
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat BASIN DAKOTA
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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

9/14/07 MIRU D&J #2. Set up closed loop system with MI Swaco centrifuge & dewatering unit. Mix spud mud and pickup a 12-1/4" bit, drilled 8' of rat hole with boulders but making progress, 2-1/2hrs to drill F/ 8' - T/ 10'. Pulled 12-1/4" bit and picked up a 9-7/8" pilot bit. Drilled pilot hole F/ 10' - T/ 40' in 6.5hrs, picked up to ream and tagged 10' of fill. Boulders caved in and having to re-drill the bottom 10'. Heavier than usual drill cuttings from rat hole. Moving over to drill pilot in mouse hole and will determine if cement is needed to stabilize boulders.

9/15/07 Drilled mouse hole with 9-7/8" bit, shale came in around 25', set sleeve. Continue drilling on rat hole with 9-7/8" bit with same results. Drilled a 35'- 9-7/8" pilot hole under 8' of conductor pipe. Break out bit and make up a 12-1/4" (Reed, CF15, RR), spud surface hole at 12:00 hrs on 9/14/07. Drilled F/ 0' - T/ 345'. TD surface hole at 04:30hrs on 9/15/07. Circulate and run survey, survey at 2°, possible misfire. Begin TOOH with DC's, hole pulling tight, swabbing fluids up hole and having small gas kicks while pulling pipe, bit is possibly balled up. Working pipe back to bottom at report time. We will increase viscosity and pump Barite pill to control. Surveys: 166' @ 1°; 319' @ 2° (P-MF)

CONTINUED OTHER SIDE

RCVD OCT 3 '07
OIL CONS. DIV.
DIST. 3

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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE DRUG 2 Prod MGR DATE 01 OCT 07

Type or print name
For State Use Only

E-mail address:

Telephone No.

Deputy Oil & Gas Inspector,
District #3

APPROVED BY: H. Villanueva

TITLE

OCT 12 2007
DATE

Conditions of Approval (if any):

Note: Directional Survey Attached.

PAGE THREE – ATTACHMENT TO FORM C103

9/28/07 Drilled directionally F/ 6095' – T/ 6365' (TD). TD reached at 0030hrs on 9/28/07. Circulate hole clean and short trip 20stds, first 10stds pulled 40-50K over. Circulating hole after short trip at report time. Report time inclination is 23.13° and Azimuth is at 346.33 measured at 6262' MD. ROT=98K; SO=80K; PU=130K
Surveys: 5982' @ 23.94°; 6107' @ 23.38°; 6230' @ 23.31°; 6262' @ 23.13°

9/29/07 Circulate & condition mud to a 9.7wt TOOH for logs, LD directional tools. Rig up Schlumberger and TIH, bridged out at 3807' KBMD and could not get past. Rig down wireline. Well starting to flow water. Pick-up bit (RR) and TIH, stopped to circulate at 1997' and 3677'. Water flow increasing (visc 35, wt 8.6ppg). Circulate and condition mud to a 9.7ppg and 65visc at 3677'. Continue TIH and tagged at 6143', ream F/ 6143' – T/ 6365'. Circulate and condition mud to a 65visc and 10ppg at report time. Survey: 6262' @ 23.13°

9/30/07 Circulate and condition mud to a 65visc and 10ppg. LD DP, DC's. Rig up Schlumberger Wireline and run GR/IND from TD(6330' KB per logs) to surface and DEN/NEUT logs from TD to ~5000' KB, across Dakota formation. Rig down Schlumberger. Casing crew running late. Rigged up San Juan Casing and begin running 4-1/2" casing. Running casing at report time, details to follow on next days report.

10/01/07 Ran 159 jts (6337.76') of 4-1/2", 11 6#, J-55, LT&C casing. Circulate casing to bottom – no fill. Land casing in well head w/ mandrel. Bottom of casing at 6355.76' KB, float collar at 6334' KB, marker joint at 5913' KB, DV tool at 4025' KB. Circulate while RU Halliburton Energy Services and hold safety meeting. Preceded 1st stage cement w/ 10 bbls of water, 20 bbl "chem. wash", 10 bbl water spacer. Mix and pump 260 sx (491 cf) of Halliburton Light Premium w/ 1/8#/sx Poly-flake & 5#/sx Gilsonite. Tail in w/ 335 sx (395 cf) of "Type V" w/ 1/8#/sx Poly-flake, 5#/sx Gilsonite & 0.3% Halad R-9. Drop plug and displace w/ 40 bbls of water and 58 bbls of mud. Bump plug to 1425 psi. PD at 13:00 hrs 9/30/07. Release pressure and check floats - held OK. Opened hydraulic stage tool at 3200psi. Circulated with mud and returned 25bbls of cement slurry to surface. Circulated from stage tool 6hrs between stages while waiting on Halliburton to reload bulk trucks. Preceded 2nd stage cement w/ 10 bbls water, 10 bbl "chem. wash" & 10 bbl spacer. Mix and pump 525 sx (992 cf) of Halliburton Light Premium w/ 1/8#/sx Poly-flake & 5#/sx Gilsonite. Tail in w/ 375 sx (495 cf) of 50/50 Poz "Type V" w/ 1/8#/sx Poly-flake & 5#/sx Gilsonite. Drop plug and displace w/ 62.4 bbls of water. Bump plug to 1400 psi. PD at 21:15 hrs 9/30/07. Increased pressure to 2400psi and closed stage tool. Release pressure and check float - held OK. Good circulation throughout 2nd stage job. Circulated 15 bbls of cement to surface. RD Halliburton. ND BOP. RD rig and equipment. Rig released at 06:00 hrs 10/01/07. ***Final Report***