

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.**

5. Lease Serial No.
NM-033047

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

FEB 12 2008

2. Name of Operator
Merrion Oil and Gas Corporation

Bureau of Land Management

3a. Address
610 Reilly Ave 87401

3b. Phone No. (include area code)
505.324.5300

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

8. Well Name and No.
Hi Roll #3R

9. API Well No.
30-045-29977

10. Field and Pool or Exploratory Area
WAW Fruitland Picture Cliffs

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1110' Int, 1580' Int
S35, T27N, R13W

11. Country or Parish, State
San Juan County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Merrion Oil and Gas Corporation proposes to plug and abandon the subject well per the attached procedure.

RCVD FEB 21 '08

OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Tyson Foutz

Title Petroleum Engineer

Signature

Date 02/08/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

FEB 20 2008

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)

NMOCD

PLUG AND ABANDONMENT PROCEDURE

January 30, 2008

Hi Roll #3R

WAW Fruitland Pictured Cliffs
1110' FNL and 1580' FEL, Section 35, T27N, R13W
San Juan County, New Mexico / API 30-045-29977
Lat: N _____ / Lat: W _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. **Note: Plug #1 is being set with dump bailer. Minimum BLM excess required when a plug is set with a dump bailer is 35'.** The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type G, mixed at 15.8 ppg with a 1.15 cf/sx yield.

1. Project will use a steel tank for a pit.
2. Install and test rig anchors. Comply with all NMOCD, BLM and Merrion safety rules and regulations. Spot a steel waste fluid pit. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. NU relief line and blow well down; kill with water as necessary.
3. ND wellhead and NU BOP; test the BOP. PU on tubing and release pump. Re-seat pump. Pressure test tubing to 1000 PSI. TOH and LD rods and pump. TOH and tally 2.375" tubing, 1274'. If necessary LD tubing and PU workstring.
4. **Plug #1 (Pictured Cliffs top and Fruitland perforations, 1161' – 1126')**: TIH and set CIBP at 1161'. RIH with dump bailer and spot 2 sxs Type G cement inside casing above CIBP to isolate the Pictured Cliffs top and Fruitland perforations. Pressure test casing to 800#. If casing does not test, then tag Plug #1 and spot additional cement if required. PUH.
5. **Plug #2 (Fruitland top, ^{705'} 923' – ^{808'} 823')**: Spot 12 sxs Type G cement balanced plug inside casing to cover the Fruitland top. PUH to 175'.
6. **Plug #3 (7" casing shoe and Kirtland top, 175' - Surface)**: Attempt to pressure test the bradenhead annulus to 300#. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 15 sxs Type G cement and spot a balanced plug from 175' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing and the annulus.
7. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Hi Roll #3R

Current

WAW Fruitland Pictured Cliffs / API #30-045-29977

1110' FNL & 1580' FEL, Section 35, T-27-N, R-13-W, San Juan County, NM

Today's Date: 1/30/08

Spud. 6/30/01

PC Completed: 8/9/01

FtC Completed: 10/28/05

Elevation: 5998' GI

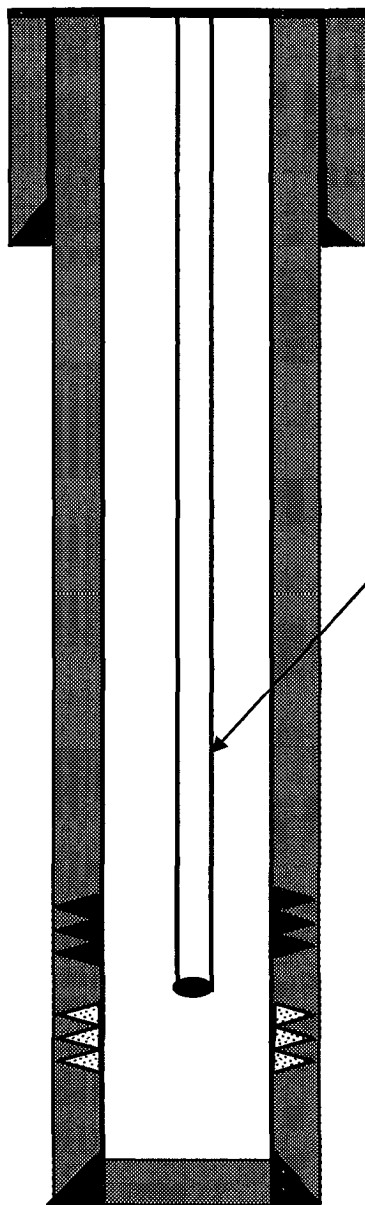
Kirtland @ 103'

Fruitland @ 873'

Pictured Cliffs @ 1235'

8.75" hole

6.25" Hole



Circulate 15 bbls cmt to surface per Sundry

7", 23# Casing set @ 125'
Cement with 70 sxs (Circulated to Surface)

2.375" tubing at 1274'
(40 joints, 4.7# EUE, rods and pump)

Fruitland Perforations:
1211'- 1226'

Pictured Cliffs Perforations:
1232' - 1244'

Squeeze perfs with 59
cf cement (2005)

4.5" 10.5# Casing set @ 1414'
Cement with 170 sxs (306 cf)

TD 1415'
PBD 1350'

Proposed P&A

WAW Fruitland Pictured Cliffs / API #30-045-29977

1110' FNL & 1580' FEL, Section 35, T-27-N, R-13-W, San Juan County, NM

Today's Date. 1/30/08

Spud: 6/30/01

PC Completed: 8/9/01

FtC Completed: 10/28/05

Elevation: 5998' GI

8.75" hole

Kirtland @ 103'

Circulate 15 bbls cmt to surface per Sundry

7", 23# Casing set @ 125'
Cement with 70 sxs (Circulated to Surface)

Plug #3: 175 - 0'
Type G cement, 15 sxs.

Fruitland @ 873'

Plug #2: 923' – 823'
Type G cement, 12 sxs.

Set CIBP @ 1161'

Plug #1: 1161' – 1126'
Dump bail 2 sxs (35') Type
cement above CIBP.

Fruitland Perforations:
1211'- 1226'

Pictured Cliffs Perforations:
1232' – 1244'

**Squeeze perfs with 59
cf cement (2005)**

Pictured Cliffs @ 1235'

4.5" 10.5# Casing set @ 1414'
Cement with 170 sxs (306 cf)

6.25" Hole

TD 1415'
PBTD 1350'

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 3R Hi Roll

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Place the Fruitland plug from 908' - 808'.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.