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APR 23 2008

Bureau of Land Management
Farmington Field Office

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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 page 2.*

5. Lease Serial No.
NMSF-078899

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
BLACKROCK C No. 1E

2. Name of Operator
MERRION OIL & GAS CORPORATION

9. API Well No.
30-045-34306

3a. Address
610 Reilly Avenue
Farmington, NM 87401

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

10. Field and Pool or Exploratory Area
BASIN DAKOTA

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
760' FSL & 1618' FWL, SECTION 21, T26N, R11W, NMPM

11. Country or Parish, State
SAN JUAN, NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☑ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other COMPLETION
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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.)

4/10/08 RU Weatherford Fracturing and hold safety meeting. Pressure test pumps and lines to 5200 psi. Pumped 9,900 gal pad of 20# x-link "Dyna-Frac" gel in 50Q foam. Frac well w/ 150,000# of 20/40 Super LC (resin coated) sand in 20# x-link "Dyna-Frac" gel. Pumped sand in 1, 2, 3 & 3.5 ppg (DH) stages at ~ 33.5 bpm (DH). AIR: 33.4 bpm (DH), MIR: 40 bpm (DH), ATP: 3,745 psi, MTP: 4,202 psi. Job complete at 11.00 hrs. 4/10/08 Total fluid pumped: 939 bbls, total nitrogen pumped: 1,228,492 scf. ISDP: 2,158 psi. Note: Due to high treating pressures decreased injection rate from planned 60 bpm (DH) rate to ~ 30 bpm (DH). Unable to increase sand density past 3.5 ppg (DH) / 7.2 ppg at the blender because of high treating pressures Nolte plot increased dramatically during pad until lower-injection rates were established then stayed flat throughout job. Final frac gradient: 0.80 psi/ft. SWI & RD Weatherford. RU flowback lines and open well thru 1/4" choke at 12:00 hrs 4/10/08. Initial pressure was 1,010 psi. Flowing back broken gel water. At 18:00 hrs, recovered a total of 96 bbls of fluid, pressure was down to 150 psi. Flowing back mostly nitrogen. Secure location and turn over to night watch/flowback

***CONTINUED NEXT PAGE ***

ACCEPTED FOR RECORD
APR 30 2008
FARMINGTON FIELD OFFICE
BY TL Salyers

14. I hereby certify that the foregoing is true and correct.
Name *(Printed/Typed)*
STEVEN S. DUNN

Title PETROLEUM ENGINEER

Signature

Date 04/21/2008

RCVD MAY 2 '08
OIL CONS. DIV.
DIST. 3

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)

NMOCD

SC

BLACKROCK C No. 1E
ATTACHMENT TO FORM 3160-5
Page -2-

4/11/08 Continued to let well flow back. At 22:00 hrs closed adjustable choke to hold 120 psi. Pressure was down to 0 psi by 05:00 hrs. SWI at 06:00 hrs. Recovered a total of 101 bbls since starting the flowback. RU Weatherford Wireline and hold safety meeting. RIH w/ CIBP and set at 5270' (fluid level at 2,200'). Perforate the Gallup formation 1 spf at the following depths: 4966', 73', 76', 85', 89', 96', 5006', 33', 72'-74', 82'-92', 5102'-06', 42'-44',53', 59', 65', 5200',5205', 07', 5211'-15'. Total of 36 holes (EHD:0.42"). RD wireline and RU Weatherford Fracturing and hold safety meeting. Ball off Gallup formation w/ 500 gal of 15% HCl plus additives w/ 75 ea. 1.3 SG "bio" ball sealers. Good ball action – complete to 3,500 psi. Surge balls off. RU nitrogen transports. Pressure test pumps and lines to 5200 psi. Pumped 9,072 gal pad of 20# x-link "Dyna-Frac" gel in 70 Q foam. Frac well w/ 175,000# of 20/40 Brady sand in 20# x-link "Dyna-Frac" gel. Pumped sand in 1, 2, 3, 4 & 5 ppg (DH) stages at ~ 35 bpm (DH). AIR: 35 bpm (DH), MIR: 35 bpm (DH), ATP: 2,264 psi, MTP: 2,422 psi. Job complete at 12:30 hrs. 4/11/08. Total fluid pumped: 815 bbls, total nitrogen pumped: 1,103,210 scf. ISDP: 1,690 psi. Nolte plot was positive throughout job. Final frac gradient: 0.75 psi/ft. SWI & RD Weatherford. RU flowback lines and open well thru 1/4" choke at 13:30 hrs 4/11/08. Initial pressure was 1,410 psi. Flowing back broken gel water. At 18:30 hrs, recovered a total of 111 bbls of fluid, pressure was down to 700 psi. Flowing back water at 15 – 20 bwph. Secure location and turn over to night watch/flowback.

4/12/08 Continued to let well flow back. At 06:30 hrs pressure was down to 480 psi thru ¼" choke. Well was still flowing back broken gel w/ some sand. Recovered 158 bbls of fluid in last 12 hrs. Continue to let well flow thru ¼" choke throughout the day. 08:30 hrs: well flowing at 420 psi, 11:30 hrs: well flowing at 220 psi, 15:30 hrs: well flowing at 200 psi, 18:00 hrs: well flowing at 140 psi, 21:00 hrs: well flowing at 100 psi. Have not made any additional fluid since 18:00 hrs. Took samples throughout day and only noticed slight "skim" of oil. Fluid looks to be mostly broken gel. Recovered additional 88 bbls of fluid for the day. SWI at 21:00 hrs and released flowback crew. Rig on location, will start cleaning out on Monday morning. Note: Recovered a total of 357 bbls of fluid since starting flowback. Total load to recover from Gallup stimulation and acid job is 895 bbls.

4/14/08 Found well w/ SICP: 1,100 psi. Open well thru ¼" choke and let pressure bleed off while rigging up Hurricane Well Service Rig #6. After 2 hrs, pressure was down to 450 psi. Remove ¼" choke and open well thru 2". Pressure fell to 100 psi and then well started unloading fluid (mostly oil). After 20 min, pressure increased to 130 psi and still unloading fluid. Kill well w/ 35 bbls of 2% KCl water. ND frac valve and NU BOP. PU 3-7/8" bit, bit sub and 2-3/8" tubing (tally and drift pipe while picking up off trailer). RU Air-Tech and unload hole at 2,600'. Continue TIH to 5198'. Unload hole w/ air/mist (10 bwph and 1 gal of soap/hr). Clean out down to CIBP at 5270'. Blow hole clean for 30 min. and dry up hole. SD air and pull up to string float (at 4817'). SWI, secure location & SDON.

4/15/08 Found well w/ SICP: 900 psi. Open well thru ¼" choke and let pressure bleed off. After 1.25 hrs, pressure down to 200 psi. Remove ¼" choke and open well thru 2", pressure down to 0 psi in several minutes. TIH to 5251' (19' of fill). PU power swivel and bring air/mist on line. Clean out sand/fill down to CIBP at 5270'. Drill out CIBP (drilled out in 1.25 hrs). Blow hole for 30 min. Lay down power swivel and chase plug to 5937'. PU power swivel and start cleaning out to PBTD (6068'). Blow hole from PBTD for 1 hr. Dry up hole and pull up to string float (at 4817'). SWI, secure location & SDON.

4/16/08 Found well w/ SICP: 800 psi. Open well thru ¼" choke and let pressure bleed off. After 1 hr, pressure down to 200 psi. Remove ¼" choke and open well thru 2", pressure down to 0 psi in several minutes. TIH to PBTD (6068' KB) – no fill. TOH. RD and release air package. TIH w/ production string as follows: cut-off tail jt (w/ weep hole in upset), seating nipple and 179 jts of 2-3/8" tubing. Bottom of tubing landed at 5954.52' KB, seating nipple at 5938.42' KB. ND BOP and NU WH. Will RD & MOL in morning. Will move back on location to lower tubing and run rods after pump jack and surface equipment is installed.

Include wt + Grade of TBG