O+5 (BLM); 1-Accounting; 1- Land; 1-File UNITED STATES FORM APPROVED Form 3160-5 OMB No. 1004-0135 DEPARTMENT OF THE INTERIOR (September 2001) Expires January 31, 2004 **BUREAU OF LAND MANAGEMENT** Lease Serial No. M II: 5 SUNDRY NOTICES AND REPORTS ON WELLS  $900 \, 400$ NOO-C-14-20-8376 Do not use this form for proposals to drill or to deepen or re-enter an If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA, Agreement, Name and/or N-SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well Well Name and No. X Gas Well Oil Well DIETRICH COM 28 A #1 Name of Operator MERRION OIL & GAS CORPORATION 9. API Well No. 30-045-30842 3b. Phone No. (include area code, Address (505) 327-9801 10. Field and Pool, or Exploratory Area 610 Reilly Ave., Farmington, NM 87401 Location of Well (Footage, Sec., T., R., M., or Survey Description) BASIN FRUITLAND COAL 912' FNL &N 904' FEL (NENE) 11. County or Parish, State SECTION 28, T26N, R12W SAN JUAN COUNTY, NM 12. CHECK APPROPRIATE BOX (ES) TO INDICATE N THE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION ☐ Water Shut-Off ☐ Acidize Deepen Production (Start/Resume) Notice of Intent ☐ Well Integrity Reclamation Alter Casing Fracture Treat X Other Casing repair **New Construction** Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Completion Progress ☐ Final Abandonment Notice Report Plug Back Water Disposal Convert to Injection 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 shall 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 shall be filed once testing has been completed. Final Abandonment shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final insection.) 10/27/03 MIRU JC Well Service on 10/27/03. Spot tubing trailer. PU overshot with grapple and TIH. Tag up on fish (bond tool) @ 1201' KB. Rotate overshot onto fish. TOH recovered bond tool with no visible damage except 2 arms off bottom centralizer were missing. RU Black Warrior Wireline, RIH with cement bond log (same tool) and run log from 1210' to ~330'. Good cement except bottom of casing. Partial cement from PBTD to 1122'. RD wireline company. SWI, SDON. 10/28/03 Shut down for day. \*\*CONTINUED OTHER SIDE\*\* I hereby certify that the foregoing is true and correct Name (Printed/Typed) Steven S. Dunn **Drilling and Production Manager** ACCEPTED FOR RECORL Signature November 5, 2003 THIS SPACE FOR FEDERAL OR STATE OFFICE USE util 0 1 2003 FARMINGIUM FILL OFFICE Title Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the application holds legal or equitable title to those rights in the subject lease Office which would entitle the applicant to conduct operations thereon. 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 reverse)

10/29/03

PU bit, bit sub, casing scraper and 6 each 3-1/8" drill collars. TIH on 2-3/8" tubing, tag up on float at 1219' KB. RU power swivel, pump truck and lines. Break circulation with produced water and drill out float. Chase to TD at 1264' KB. Circulate hole clean and TOH. RU BWWC. RIH with squeeze gun and shoot 2 holes at 1134' KB. RIH set CICR at 1240' KB. RD BWWC. RIH with stringer on tubing bottom of tubing. RU AES. Sting into tubing and attempt to break circulation thru bottom of casing and back thru squeeze holes. Pumped approx. 4-5 bbls of fluid with good circulation before losing circulation. Continued pumping into formation. SD and reversed lines to try to clear obstruction. Got circulation back. SD and turned lines around to pump down tubing but tubing string pressured up to 2500 psi. Sting out of tubing, stinger plugged with drill cuttings. TOH and lay down stinger and clean out tubing. SWI, secure location and SDON.

10/30/03

PU CICR and TIH. Set CICR at 1089' KB. RU American Energy Services. Establish rate of 2 bpm at 1000 psi. Mix and pump 35 sx of Class "B" cement w/ 2% CaCl2. Hesitated last 1 bbl of displacement into retainer. After 30 min. squeeze holding at 500 psi. Max pressure was 1000 psi. Sting out of retainer w/ 500 psi still on retainer, leaving 0.2 bbls of cement on top of retainer. TOH and lay down stinger. TIH w/ bit, bit sub, casing scraper & 6 ea. 3-1/8" DC's. RIH on 5 jts of 2-3/8" tbg. SD & WOC. After 4-hrs cement samples still had not completely set up. Secure location & SDON. Will drill out in morning.

10/31/03

TIH. Tag up on cement at 1080' (~10' of cement on top of CICR). RU power swivel. RU pump truck and lines. Break circulation and drill out cement. ROP slowed after hitting CICR. After ~ 2 hrs finally drilled thru CICR but bit quit drilling altogether (just spinning on junk). TOH and change out bit for junk mill. TIH and continue drilling CICR and cement down to 1110'. Ran out of daylight. Circulate hole clean and pull up to ~1060. SWI & SDON.

11/01/03

Continue drilling out cement. TIH to new PBTD (1240'). Circulate hole clean. Pressure test casing to 1000 psi – held OK. SWI, secure location & SD until Monday. Will run casing scraper before rigging down on Monday.

11/03/03

TOH and LD drill collars. PU casing scraper and TIH to new PBTD at 1240'. TOH, laying down tubing. RD rig and equipment. Note: hauled drill collars back to HiTech rental and tubing back to M&R yard (in Merrion's stock). Wait on surface equipment to be set then will schedule frac.