

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Bureau of Land Management
Farmington Field Office

RECEIVED

MAR 18 2009

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.

Release Serial No
SE-079086

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No
Canada Mesa #1E

2. Name of Operator
Merrion Oil & Gas Corp

9. API Well No.
30-039-22118

3a Address
610 Reilly Ave Farmington, NM 87401

3b. Phone No. (include area code)
505-324-5336

10. Field and Pool or Exploratory Area
Devils Fork Gallup/ Basin DK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1060' FNL & 1840' FWL, S24, T24N, R6W

11. Country or Parish, State
San Juan, 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 checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<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 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.)

Merrion Oil & Gas moved on the following well on 2/16/09 for a clean out, it was discovered that we had a possible casing leak. The BLM & OCD were notified on 2/18/09. The leaks have been isolated and a procedure has been attached of the proposed casing repair. The estimated MIRU date will be 3/23/09

RCVD MAR 20 '09

OIL CONS. DIV.

DIST. 3

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

Name (Printed/Typed)
Philana Thompson

Title Regulatory Spec.

Signature

Date 03/03/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

MAR 19 2009

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 90

Merrion Oil & Gas Corporation

Procedure

Revised – March 3, 2009

Well:	Canada Mesa No. 1E	Field:	Basin Dakota/Devils
	Fork Gallup		
Location:	1060' fnl & 1840' fwl	Elevation:	6483' GL
	Sec 24, T24N, R6W		6493' RKB
	Rio Arriba Co, New Mexico	API No:	30-039-22118
By:	John Thompson	Lease No:	

Project:

Repair casing leak(s) at 2,903' and 1,021'

Repair casing:

1. MOL & RU pulling unit w/pump/pit and flow back tank.
2. TOH w/ rods and pump (note: remaining tubing/rods is in M&R yard for storage).
3. ND WH & NU BOP.
4. Round trip 4-1/2" casing scraper to 3,000' KB.
5. TIH w/ 4-1/2" CICR. Load hole w/ water if necessary. Set CICR at 2833' KB. Pressure test tubing to 1000 psi.
6. RU cementer's (Halliburton) and pump 250 sx of Type "V" cement (15.4 ppg & 1.2 gal/sx) through CICR.
7. Sting out of retainer, circulate hole clean if necessary and TOH.
8. PU 4-1/2" tension packer and TIH. Confirm leak at 1,021.
9. Spot 50 sx of Type "III" cement (14.2 ppg & 1.43 gal/sx) plug across leak.
10. TOH w/ packer and tubing.
11. Shut rams and hesitate squeeze cement into casing leak. Squeeze cement to 971' (50' above leak at 1021'). Max squeeze pressure: 750 psi. WOC overnight.

Drill out cement and pressure test casing:

12. PU 3-7/8" bit and 6 ea. 3-1/8" drill collars. RIH on 2-3/8" tubing.
13. Drill out cement across top leak at 1021'. Pressure test casing to 500 psi before drilling out CICR at 2833. Re-squeeze if necessary.
14. Drill out CICR and cement across leak at 2833'. Pressure test casing to 500 psi. Re-squeeze if necessary.
15. If pressure test(s) hold, TOH and lay down drill collars and bit.

Return well to production:

16. PU retrieving head and TIH on 2-3/8" tubing.
17. Circulate sand off RBP at 5291'. Latch onto RBP, release and TOH.
18. TIH w/ production string as follows: cut off tail jt (w/ hole in upset), SN and 201 jts of 2-3/8" tubing. Land tubing at ~ 6555' KB.
19. ND BOP and NU WH. RUTS. Swab well to make sure no solids in fluid.
20. RIH w/ pump and rod string as follows: 2"x1-1/4"x12' RHAC pump on 39 ea. 3/4" plain rods, 138 ea. 5/8" plain rods, 18 ea. 3/4" plain rods, 67 ea. 3/4" guided rods.
21. Install polish rod and stuffing box. Load tubing w/ water and pressure test tubing and check for pump action.
22. Install horse head and bridle. Space out pump and hang off rods.
23. Start pumping unit and return well to production.
24. RD & MOL.