s Distributi	on: O+3 (BLM); 1-Accounting; 1- I	and; 1-File; 1-NMOCD (INFO ONLY)	
Form 3160-5 (June 1990)			FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993 5. Lease Designation and Serial No.
Do	SUNDRY NOTICES AND not use this form for proposals to drill or Use "APPLICATION FOR PI	SF-078899-A 6. If Indian, Allottee or Tribe Name	
	SUBMIT IN T	7. If Unit or CA, Agreement Designation	
1. Type of Oil	Gas []	8. Well Name and No.	
2. Name of Operator			Blackrock D Com No. 1
	rion Oil & Gas Corporation	9. API Well No.	
3. Address and Telephone No. 610 Reilly Avenue, Farmington, NM 87401-2634 (505) 327-9801			30-045-05776 10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			Basin Dakota
990' fni & 1650' fwl (ne nw)			11. County or Parish, State
So So	ection 20, T26N, R11W		San Juan County,
12. CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
	TYPE OF SUBMISSION	TYPE OF ACTION	OTT, OTT OTTLET DATE.
	X Notice of Intent	X Abandonment (Final)	Change of Plans
		Recompletion	New Construction
	Subsequent Report	Plugging Back	Non-Routine Fracturing
		Casing Repair	Water Shut-Off
	Final Abandonment Notice	Altering Casing	Conversion to Injection
		Other	Dispose Water
			(Note: Report results of multiple completion on Completion or Recompletion Report and Log form.)
	e Proposed or completed Operations (Clearly state all perting the subsurface locations and measured and true vertical depth	ent details, and give pertinent dates, including estimated date of startings s for all markers and zones pertinent to this work.)*	
Merrion Oil & Gas proposes to plug and abandon the subject wellbore according to the attached procedure.			
14. I hereb	centify that the foregoing is true and correct	JAN 2004	
Signed		Title Production Engineer	Date 12/15/03
(This sp	onnie S. Dinning pace for Federal or State office use) Original Signed: Stephen Mas	on	JAN 0 9 2004
Approv Conditi	ed By ons of approval, if any:	Title	Date JAN 0 3 2004

PLUG AND ABANDONMENT PROCEDURE

December 9, 2003

Blackrock D Com #1

Basin Qallup Jaketon 990' FNL and 1650' FWL, Section 20, T26N, R11W San Juan County, New Mexico / API #30-045-05776

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures.

All cement will be ASTM Type II, mixed at 15.6 ppg with a 1.18 cf/sx yield.

- Install and test rig anchors. Prepare blow pit. Comply with all NMOCD, BLM and Merrion safety rules and regulations. 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. ND wellhead and NU BOP and stripping head; test BOP.
- 2. Tally and prepare a 2-3/8" tubing workstring.
- 3. Plug #1 (Dakota perforations: 5870' 5770'): TIH with open ended tubing and tag existing RBP at 5870' or as deep as possible. Load the casing with water and circulate the well clean. Mix 12 sxs cement and spot a balanced plug inside the casing to isolate the Dakota interval. PUH to 4960'. Note: casing has several leaks and will not pressure test.
- 4. Plug #2 (Gallup top, 4960' 4860'): Mix 12 sxs cement and spot a balanced plug inside the casing to cover the Gallup top. PUH with tubing. PUH to 3378.

2183 2183

- 5. Plug #3 (Mesaverde top, 3378' 3278'): Mix 20 sxs cement (excess due to casing leaks) and spot a balanced plug inside casing to cover the Mesaverde top. PUH and WOC. TIH and tag cement, must be at least 3278'. Attempt to pressure test casing. If casing does not test, then spot or tag subsequent as appropriate. TOH with tubing.
- 6. Plug #4 (Pictured Cliffs top, 1415' 1315'): Perforate 3 HSC holes at 1415'. Set a 4-1/2" CR at 1365'. Establish an injection rate into the squeeze holes. Mix and pump 51 sxs cement, squeeze 39 sxs outside 4-1/2" casing and leave 12 sxs inside casing to cover Pictured Cliffs top. TOH.

7. Plug #5 (Fruitland top, 990' – 890'): Perforate 3 HSC holes at 990'. Set a 4-1/2" CR at 940'. Establish an injection rate into the squeeze holes. Mix and pump 51 sxs cement, squeeze 39 sxs outside 4-1/2" casing and leave 12 sxs inside casing to cover the Pictured Cliffs top. TOH and LD tubing.

- 8. Plug #6 (Surface casing, 490' Surface): Perforate 3 squeeze holes at 490'. Establish circulation out the bradenhead valve with water. Mix and pump approximately 220 sxs cement down the 4-1/2" casing to circulate good cement out bradenhead valve. Shut well in and WOC.
- 9. 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.

Blackrock D Com #1

Current

Basin Dakota

990' FNL & 1650' FWL, Section 20, T-26-N, R-11-W

Today's Date: 12/9/03

Spud: 5/15/61

San Juan County, NM, API #30-045-05776

Completed: 6/5/61 Elevation: 4158' KB

12-1/4" hole

8-5/8" 24#, Casing set @ 223'
Cmt with 175 sxs (Circulated to Surface)

Ojo Alamo @ 300'

Kirtland @ 440'

Fruitland @ 940'

Pictured Cliffs @ 1365'

Holes in casing 1472' - 1654' Sqz w/total 98 sxs, (10/03)

Holes in casing 3317' - 2669' Sqz w/total 50 sxs, (11/03)

Mesaverde @ 3328'

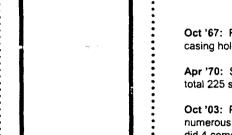
Holes in casing, 2864' - 3482' Sqz w/total 55 sxs, (10/03)

Holes in casing 2888' - 2626' Sqz w/total 20 sxs, (10/03)

Gallup @ 4910'

Dakota @ 5911'

7-7/8" hole



Well History:

Oct '67: Ran casing inspection log: isolated casing holes 3700' – 3775', sqz with 350 sxs.

Apr '70: Sqz holes in casing 2883- 2976' with total 225 sxs cement.

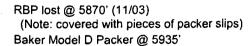
Oct '03: Planned Gallup Pay Add: Found numerous holes in casing from 1476' to 3482' and did 4 cement squeeze with total 223 sxs cement. Ran casing inspection log from 3550' to surface, found multiple holes in casing. Also suspect parted casing at 3087' to 3051' where interval was swaged and milled. Left RBP at 5870' with packer parts above.

TOC @ 2580' ('67 T.S., after squeeze)

Holes in casing 2883' - 2976' Sqz w/total 150 sxs, (4/70)

Holes in casing 3700' - 3775' Sqz w/total 350 sxs, (10/67)

TOC @ 4600' ('61 T.S.)



Dakota Perforations: 5946' – 5980'

4-1/2" 9.5# Casing set @ 6093' Cmt with 186 sxs (450 cf)

Blackrock D Com #1

Proposed P&A

Basin Dakota

990' FNL & 1650' FWL, Section 20, T-26-N, R-11-W San Juan County, NM, API #30-045-05776

Today's Date: 12/9/03

Spud: 5/15/61

Completed: 6/5/61 Elevation: 4158' KB

12-1/4" hole

8-5/8" 24#, Casing set @ 223'
Cmt with 175 sxs (Circulated to Surface)

Ojo Alamo @ 300'

Kirtland @ 440'

Fruitland @ 940'

Pictured Cliffs @ 1365'

Holes in casing 1472' - 1654' Sqz w/total 98 sxs, (10/03)

Holes in casing 3317' - 2669' Sqz w/total 50 sxs, (11/03)

Mesaverde @ 3328'

Holes in casing, 2864' - 3482' Sqz w/total 55 sxs, (10/03)

Holes in casing 2888' - 2626' Sqz w/total 20 sxs, (10/03)

Gallup @ 4910'

Dakota @ 5911'

Plug #5: 990' - 890' Cement with 51 sxs, 39

Cmt Retainer @ 940' outside and 12 inside

Perforate @ 990'

Plug #4: 1415' - 1315'

Plug #6: 490' - Surface

Cement with 220 sxs

Cmt Retainer @ 1365'

Cement with 51 sxs, 39 outside and 12 inside

Perforate @ 1415'

TOC @ 2580' ('67 T.S., after squeeze)

Holes in casing 2883' - 2976'

Sqz w/total 150 sxs, (4/70)

Plug #3: 3378' - 3278'

Cement with 20 sxs

(extra, casing leaks)

Holes in casing 3700' - 3775' Sqz w/total 350 sxs, (10/67)

TOC @ 4600' ('61 T.S.)

Plug #2: 4960' - 4860' Cement with 12 sxs

Plug #1: 5870' - 5770' Cement with 12 sxs

RBP lost @ 5870' (11/03)

(Note: covered with pieces of packer slips) Baker Model D Packer @ 5935'

Dakota Perforations: 5946' – 5980'

4-1/2" 9.5# Casing set @ 6093' Cmt with 186 sxs (450 cf)

7-7/8" hole