

Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised May 08, 2003

WELL API NO. 30-045-12174
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name FARMINGTON C COM
8. Well Number 001
9. OGRID Number 014634
10. Pool name or Wildcat BASIN FRUITLAND COAL

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator MERRION OIL & GAS CORPORATION	
3. Address of Operator 610 REILLY AVENUE, FARMINGTON, NM 87401	
4. Well Location Unit Letter <u>L</u> : <u>1625</u> feet from the <u>SOUTH</u> line and <u>1250</u> feet from the <u>WEST</u> line Section <u>15</u> Township <u>29N</u> Range <u>13W</u> NMPM County <u>SAN JUAN</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5335' GT	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: RECOMPLETION REPORT <input checked="" type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

12/4/03 MIRU LCE Rig #3 on 12/4/03. ND horse head and bridle. Lay down stuffing box and polish rod. TOH, lay down 50 each 3/4" rods, 3 each 6' pony subs and 2" x 1-1/4" x 12' RHAC pump. ND wellhead and NU BOP. TOH with 2-3/8" tubing. (Note: tubing showed signs of severe rod wear). RU BWWC. RIH with 4-1/2" RBP, set RBP at 1115' KB. TIH with 10 joints of tubing. Dump 2.5 gals of sand down tubing and follow with 2% KCl water. Load casing with water and pressure test casing to 1000 psi - held OK. RIH with CBL and run bond log from 1110' to 500'. First reading on CBL at 1098'. RIH with 3-1/8" casing gun and perforate the Fruitland Coal formation from 1082' - 1102' (3 spf for a total of 60 holes -EHD 0.34"). SDON.

12/5/03 ND BOP. TIH with Weatherford Arrow, set packer on 2-7/8", Buttress, N-80 tubing. Install B-2 coupler and set packer at 954'. Install 5K frac valve and NU B-2 coupler to well head. RD rig and move to Carlton yard for the weekend. Spot 3 frac tanks and fill with 2% KCl water and biocide. Heat water to 85 degrees. Spot flowback tank and rig up flowback manifold. SDON.

\*\*CONTINUED OTHER SIDE \*\*

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Steven S. Dunn TITLE DRLG & PROD MANAGER DATE 12/10/03

Type or print name STEVEN S. DUNN Telephone No. (505) 327-9801

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 08 DATE DEC 12 2003

Conditions of approval, if any:

- 12/6/03 RU Halliburton Energy Services. Held safety meeting. Pressure test pumps and lines to 4500#. Pumped 250 gals of 15% HCl at 5 BPM, saw break at 636 psi. Pumped 14,000 gals 20# x-link gel pad. Frac well with approx. 75,000# of 20/40 Brady sand in 20# x-link gel (Delta 140 Fluid). Pumped sand in 1, 2, 3 and 4 ppg stages with Sand Wedge additive. AIR 29.9 BPM, MIR 34.2 BPM, ATP 2394#, MTP 2722#. Job complete @ 10:45 hrs 12/6/03. RD Halliburton Energy Services. Total fluid pumped 986 bbls. Opened well thru 1/4" choke to flow back tank at 12:00 hrs 12/6/03. Well flowing back broken gel at 580 psi, pressure down to 0 psi after 3 hrs. SD until Monday.
- 12/8/03 Found well dead. MIRU LCE Rig #3 on 12/8/03. ND flow back lines. Remove frac valve and B-2 coupler. Unset packer, TOH laying down 2-7/8" frac string and packer. NU BOP. Spot tubing trailer. Remove thread protectors and tally. PU bailer, TIH on 2-3/8" tubing string. Tag up on fill at 1095'. RU pump truck and clean out fill down to RBP (had to make three bailer runs). Installed retrieving head on bottom of flapper assembly. Latch onto RBP and open unloader. TOH lay down RBP. TIH with cut off tail joint, seating nipple and 42 joints of 2-3/8", 4.7#, EUE, yellow band tubing. Land tubing in wellhead with donut, bottom of tubing landed at 1319.48' KB, seating nipple at 1302.38' KB. ND BOP and NU well head. SDON.
- 12/09/03 Found well with 80 psi on casing and 0 psi on tubing. Manifold wellhead to flowline. RUTS. Made 5 swab runs and recovered ~10 bbls of fluid. Fluid level after 5 runs was down to 1250'. RD swabbing equipment. RIH with 2" x 1-1/4" x 12' RHAC pump on 51 each 3/4" plain rods and 1 each 4' pony sub. Note: ran 5 new rods, remaining 46 rods were from the well. Sent 4 left over "used" rods to Carlton yard. Install polish rod and new stuffing box. NU horse head and bridle. Space out pump and hang off rods. Let well pump up on its own. RDMOL. (Note: replaced casing valves and installed new top flange due to excessive rust and corrosion on wellhead.)