

Form 3160-5
(September 2001)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. SF-078899A
2. Name of Operator MERRION OIL & GAS CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address 610 Reilly Ave., Farmington, NM 87401	3b. Phone No. (include area code) (505) 327-9801	7. If Unit or CA, Agreement, Name and/or No. DHC 1303A2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL & 1650' FWL SECTION 20, T26N, R11W		8. Well Name and No. BLACKROCK D COM No. 1
		9. API Well No. 30-045-05776
		10. Field and Pool, or Exploratory Area GALLEGOS GALLUP
		11. County or Parish, State SAN JUAN COUNTY, NM

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

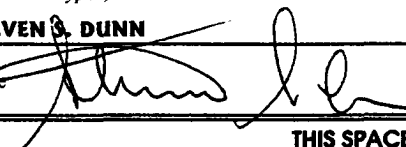
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	COMMINGLING
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PROGRESS REPORT

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 recomplate 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.)

11/5/03 Found well on vacuum. TIH, tag up on cement at 2688'. Pressure test casing to 500 psi, lost 70 psi in 15 mins. TOH, PU bit, bit sub and RIH on 6 each 3-1/8" drill collars and 2-3/8" tubing. Tag up on cement at 2688'. PU power swivel and break circulation with water. Drill out cement down to 2854'. Circulate hole clean pull up to 2800'. Drain pumps and lines. SWI, secure location. SDON.

11/6/03 TIH continue drilling cement. Drilled out cement down to 3100'. Circulate hole clean with 2% KCl. RUTS. Will start swabbing for "dry test" in morning. SWI, secure location and SDON.

DHC 1303A2 CONTINUED OTHER SIDE ***

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) STEVEN S. DUNN		Title DRILLING & PRODUCTION MANAGER
Signature 		Date November 17, 2003
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		

Approved by 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 which would entitle the applicant to conduct operations thereon.	Title	Date
	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 reverse)

NMOC

FARMINGTON FIELD OFFICE

DEC 29 2003

11/13/03

11/7/03 RUTS. Made 8 swab runs. Fluid level down to ~2800', recovered ~45 bbls. Shut down for 1 hr, after 1 hr fluid level had come up 250' to 2550'. TOH stand back drill collars. PU packer and RIH to 2834', load hole and set packer. Pressure test below packer, had small leak. Test backside, had small leak. Pulled up to 1594' (previous squeeze) and set packer. Tested backside had small leak. Released packer and pulled up to 1472' and re-set packer. Tested backside still had small leak. Release packer and TOH. Lay down packer. PU bit and RIH on drill collars and tubing. Will drill out remaining cement in morning.

11/8/03 TIH tag up on cement at ~3100'. Break circulation and continue drilling out cement, cement became very hard – slow drilling. Drilled down to 3286', circulated hole clean. Pulled up to 3200'. Drained pumps and lines. Secure location and SD until Monday. Plan to drill out remaining cement and then run Casing Inspection and Bond logs.

11/10/03 Continue drilling out cement. Drilled down to 3505' before breaking out of cement. TIH to 3570' and circulate hole clean. TOH, RU BWWC. Run casing inspection log from 3550' to surface. Found multiple holes in casing. Ran out of daylight. Will run CBL in AM. Secure location and SDON.

11/11/03 Run cement bond log from 3550' to surface. RD BWWC. Replaced drilling line and shut down for remainder of day. Unable to get BP and packer on location until morning.

11/12/03 TIH with Model "C" RBP and full bore packer. TIH attempt to set RBP at 3581' would not set. Attempted to set at 3365' and 3304' still would not set. TOH left RBP in hole. TIH found RBP at 3590', latch onto RBP and TOH. TIH with Model "G" RBP and full bore packer. Set RBP at 3581' pull up to 3483 and pressure test casing – held 500 psi OK. Pull up and straddle the following intervals: 3365'-3299', 3304'-3236', 3241'-3212', 3206'-3175' and 3087'-3051'. Every pressure test failed. Pulled up to test casing from 3087'-3051' and got stuck. Note: same interval that was previously swaged and milled – suspect parted casing. Final worked free had to pull 25-30K over string weight. Continued TOH dragging all the way out. Packer had been damaged. Left slip segments and springs in wellhead after getting packer to surface. Called for magnet. Made magnet on 1 joint of tubing, fish out packer parts from wellhead. Noticed that 4 more slip segments and retainer rings were left in bottom of well. SWI, SDON.

11/13/03 Shut down, waiting on orders until Monday.

11/14/03 Received orders to abandon well. Left RBP at 5870'. TIH with drill collars. TOH, LD drill collars and hauled back to town. TIH with 2-3/8" tubing. TOH, laying down all tubing. Hauled tubing to Tuboscope for inspection. ND BOP & NU WH (flange with change over and ball valve). SWI. Clean cement out of rig pit. RD & ready all equipment to move.