

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT--" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. 2004 JAN 21 AM 11: NM28752
2. Name of Operator Merrion Oil & Gas Corporation (14634)	6. If Indian, Allottee or Tribe Name 70 Farmington, NM
3. Address and Telephone No. 610 Reilly Avenue, Farmington, NM 87401-2634 (505) 327-9801	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 760' fsl & 990' fel (se se) Section 4, T24N, R8W	8. Well Name and No. Scarecrow No. 1
	9. API Well No. 30-045-25208
	10. Field and Pool, or Exploratory Area Dufers Pt. Gallup/Dakota
	11. County or Parish, State San Juan County, New Mexico

12. CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Completion or Recompletion Report and Log form.)

13. Describe Proposed or completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Merrion Oil & Gas proposes plug and abandon the subject wellbore in accordance with the attached procedure. The well is being sold and the sale package is scheduled to close on January 31, 2004. The effective date of the sale will be December 1, 2003. If the sale does not close, Merrion will complete the plugging operation.

14. I hereby certify that the foregoing is true and correct		
Signed <u>Connie S. Dinning</u>	Title <u>Production Engineer</u>	Date <u>1/19/04</u>
(This space for Federal or State office use)		
Approved By <u>Original Signed: Stephen Mason</u>	Title _____	Date <u>JAN 23 2004</u>
Conditions of approval, if any.		

Title 18 U.S.C. Section 1001, makes 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.

NMOC

PLUG AND ABANDONMENT PROCEDURE

January 16, 2004

Scarecrow #1

Duffers Point Gallup / Dakota
760' FSL and 900' FEL, Section 4, T24N, R8W
San Juan County, New Mexico

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.

1. Install and test rig anchors. Prepare blow pit. Comply with all NMOCD, BLM and Merriam 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. TOH with tubing and visually inspect. If necessary LD tubing and use a workstring. Round-trip 4-1/2" gauge ring or casing scraper to 3900'.
3. **Plug #1 (Dakota and Gallup perforations, 5502' – 3850')**: TIH and set 4-1/2" cement retainer at 3900'. Pressure test tubing to 1000#. Attempt to establish rate below the CR. Load and casing with water and circulate the well clean. Pressure test casing above the CR to 500#. If casing does not test, then spot or tag subsequent plugs as appropriate. If unable to establish rate below the cement retainer due to the stuck packer, then spot 20 sxs cement above the CR up to 3636'. If able to pump below the CR, then mix and pump 130 sxs cement, squeeze 122 sxs below cement retainer to isolate the perforations and cover the Gallup top, sting out of retainer and leave 8 sxs cement above. PUH to 3068'.
4. **Plug #2 (Mesaverde top, 3068' – 2968')**: Mix 12 sxs cement and spot a balanced plug inside the casing to cover the Mesaverde top. PUH to 2173'. If the casing does not test, then increase the cement to 20 sxs.
5. **Plug #3 (Pictured Cliffs, Fruitland, Kirtland and Ojo Alamo tops, 2173'- 1335')**: Mix 68 sxs cement and spot a balanced plug inside the casing to cover through the Ojo Alamo tops. PUH to 279'.
6. **Plug #4 (Surface casing, 279' – Surface)**: Pressure test the bradenhead annulus to 300#. If it tests, then with the tubing at 279', establish circulation out casing valve with water. Mix approximately 21 sxs cement and spot a balanced plug inside the casing to cover the surface casing shoe, circulate good cement out casing valve. TOH and LD tubing. SI well and WOC.

If the BH annulus does not test, then TOH with the tubing. Perforate at appropriate depth and establish circulation out the bradenhead. Then squeeze cement into the annulus to circulate cement out the bradenhead. Shut in well and WOC.
7. 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.

Proposed P&A

Duffers Point Gallup/Dakota

760' FSL & 900' FEL, Section 4, T-24-N, R-8-W

San Juan County, NM API #30-045-25208

Today's Date: 1/16/04

Spud: 9/30/81

Completed: 12/28/81

Elevation: 6896' KB
6883' GL

12-1/4" hole

Circulated 20 bbls cement to Surface

8-5/8" 23# Casing set @ 229'

Cmt with 175 sxs (Circulated to Surface)

**Plug #4: 279' - Surface
Cement with 21 sxs**

Ojo Alamo @ 1385'

Plug #3: 2173' - 1335'
Cement with 68 sxs

Kirtland @ 1580'

Fruitland @ 1890'

Pictured Cliffs @ 2123'

Plug #2: 3068' - 2968'
Cement with 12 sxs

Mesaverde @ 3018'

Plug #1: 5502' - 3850'
Cement with 130 sxs,
122 sxs below CR and
8 sxs above.

Set CR @ 3900'

**Model "R3" RCP Packer
left in well at 3947' (2002)**

DV Tool @ 4462'

Cmt with 650 sxs (1250 cf),
Circulate to surface.

TOC @ DV Tool (Calc. 75%)

Gallup @ 5396'

RBP set at 5502' (2002)

Dakota @ 6519'

Gallup Perforations:

5542' - 5902'

6521' - 6558'

7-7/8" hole

4-1/2" 10.5#/11.6#, K-55 Casing set @ 6958'
Cmt with 630 sxs (769 cf)

TD 6858'
PBTD 6812'

Scarecrow #1

Current

Duffers Point Gallup/Dakota

760' FSL & 900' FEL, Section 4, T-24-N, R-8-W

San Juan County, NM API #30-045-25208

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Completed: 12/28/81

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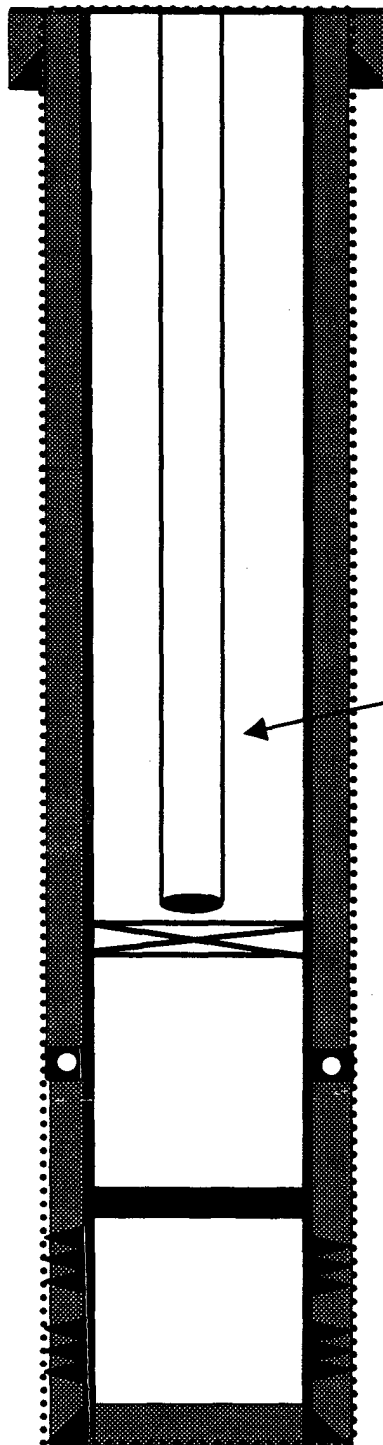
Pictured Cliffs @ 2123'

Mesaverde @ 3018'

Gallup @ 5396'

Dakota @ 6519'

7-7/8" hole



Circulated 20 bbls cement to Surface

8-5/8" 23# Casing set @ 229'

Cmt with 175 sxs (Circulated to Surface)

Well History:

Oct '96: Rod job, heavy paraffin.

Apr '99: Rod job, dropped tubing, fished out.

Oct '99: Rod job, swabbed heavy scale.

Jun '01: Rod job, heavy paraffin.

Jan '02: Pull rods and tubing. Heavy corrosion, CO to 6787'. Set RBP at 5502', PT with packer. While testing casing, stuck packer at 3947'. Cut tubing and fished out tubing stub, packer mandrel but left packer body in well. Tag fish at 3947'; land 124 joints tubing at 3844'.

2-3/8" Tubing set at 3844'
(124 joints)

Model "R3" RCP Packer body left
in hole at 3947' (2002)

DV Tool @ 4462'

Cmt with 650 sxs (1250 cf),
Circulate to surface.

TOC @ DV Tool (Calc. 75%)

RBP set at 5502' (2002)

Gallup Perforations:

5542' - 5902'

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4-1/2" 10.5#/11.6#, K-55 Casing set @ 6958'
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TD 6858'
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