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Form 3160-5 ₄	UNITED S			FORM APPROVED
(June 1990) !-	DEPARTMENT OF		(*************************************	Budget Bureau No. 1004-0135
	BUREAU OF LAND	MANAGEMENT		Expires: March 31, 1993
	SUNDRY NOTICES AN	ID DEDODTS ON W	(ELLC	5: Lease Designation and Serial No. SF-078530
Do r	not use this form for proposals to drill o		2000	6. If Indian, Allottee or Tribe Name
501	Use "APPLICATION FOR F		70.5 LOT 50.50	o. If indian, Another of Tribe Name
	CUDAIT IN	TRIPLICATE		7. Aff Unit or CA, Agreement Designation
		TRIPLICATE	FEB 2004	
I. Type of W	tias			
Well	X Well Other		ON COMB. DN. DIST. S	\(\sigma_j \)
2. Name of C	perator		60000	8. Well Name and No. Federal 20 No. 1E
		(14624)	\$ 18 m = 0 69	9. API Well No.
3. Address ar	ion Oil & Gas Corporation nd Telephone No.	(14634)	46.67.21 11	30-045-26999
	illy Avenue, Farmington, NM 8740	1-2634	(505) 327-9801	10. Field and Pool, or Exploratory Area
	f Well (Footage, Sec., T., R., M., or Survey Description			White Wash Mancos/Dakota
183	0' fnl & 1840' fel (sw ne)			11. County or Parish, State
	tion 20, T25N, R9W			San Juan County,
				New Mexico
12.	CHECK APPROPRIATE BOX	(s) TO INDICATE	NATURE OF NOTICE, F	REPORT, OR OTHER DATA
	TYPE OF SUBMISSION	TYPE OF ACTION		
	X Notice of Intent		bandonment	Change of Plans
	The residence of fine in			
		☐ R	ecompletion	New Construction
	Subsequent Report	PI	ugging Back	Non-Routine Fracturing
		c	asing Repair	Water Shut-Off
	Final Abandonment Notice		Itering Casing	Conversion to Injection
			ther Add Perforations	
			Add renorations	Dispose Water (Note: Report results of multiple completion on
		1		Completion or Recompletion Report and Log form.)
	1 10 3 (0) 1 1		ent dates, including estimated date of st	arting any proposed work. If well is directionally drilled,
	Proposed or completed Operations (Clearly state all pertsubsurface locations and measured and true vertical dep		~	,
give s	subsurface locations and measured and true vertical dep	ths for all markers and zones	s pertinent to this work.)*	a attached procedure. The
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Merrion Oil & Gas Corporation

Workover Procedure

January 20, 2004

Well:

Federal 20 No. 1E

Field:

Whitewash Mancos/Dk

Location:

1830' fnl & 1840' fel

Elevation:

6,664' GR

Sec. 20, T25N, R9W, NMPM San Juan County, New Mexico

By:

6,677' KB Connie Dinning

Procedure:

Note: All Fluids to be 2% KCl based.

Prior to Move In

1. Check wellsite for anchors.

2. Dig pit if necessary.

- 3. Open tubing and casing to production line to equalize. **Note:** Plunger lift equipment is in tubing.
- 4. Haul pumping unit, engine and rods to Federal 20 No. 1E. Prepare material transfers for all equipment moved to well.
- 5. Haul in 10 jts. 2 3/4" tubing.
- 6. Order in frac/test tank(s) w/ riser, working external gauges & two good 4" valves. Fill w/ 2% KCl city water or filtered water. Refer to frac job design for exact volume and number of tanks.

Pull Tubing, Log, and Isolate Dakota

- 1. MIRU workover rig, PU additional tbg and check for fill before TOH w/ tbg. (clean out any fill w/ air package at end of job prior to landing tubing & running pump/rods).
- 2. RIH w/ 4 $\frac{1}{2}$ " casing scraper to PBTD at \pm 6480' KB.
- 3. TOH w/ scraper & tubing.
- 4. MIRU wireline company. Run Gamma Ray Correlation Log from PBTD @ \pm 6480' to 5300' KB.
- 5. RIH w/ drillable BP, set @ ±5980' KB.
- 6. Load hole with 2% KCl water and pressure test to 3500 psi.
- 7. If well does not pressure test, PU packer, isolate holes and squeeze as necessary.

Perf & Ball off Gallup

1. Perforate Gallup with 3 1/8" casing gun, w/ one select fire shot per foot per Federal 20 No. 1E Density/ Compensated Neutron Log dated 3/9/85 as follows:

5413', 5423', 5432', 5436', 5440', 5474', 5504', 5526', 5528', 5542', 5576', 5584', 5589', 5594, 5608', 5612', 5622', 5636', 5676', 5688', 5705', 5716', 5734, 5785', 5936, 5938; **25 total holes**.

2. TIH w/ tubing and packer.

- 3. Set packer @ ± 5350' KB.
- 4. Pump 300 gallons 15% HCl and 37 RCN ball sealers down tubing.
- 5. Attempt to ball off to 3500 psi.
- 6. Release packer and TIH to 5980' to knock off balls.
- 7. Swab well down to 5300'.
- 8. TOH & lay down packer.

Fracture Stimulation

- 1. Install wellhead isolation tool.
- 2. RU frac crew. Fracture stimulate the Gallup formation with 70 Quality foam with 20# X-Linked base gel and a total of 100,000 lbs. of 20/40 mesh Brady sand (detail design to be provided).
- 3. Shut well in. RU flowback manifold to test tank. SI well for \pm 4 hrs to allow gel to break.
- 4. Blow back on 1/4" positive flow choke, and flow well to clean up.

Pull RBP and Run Production String

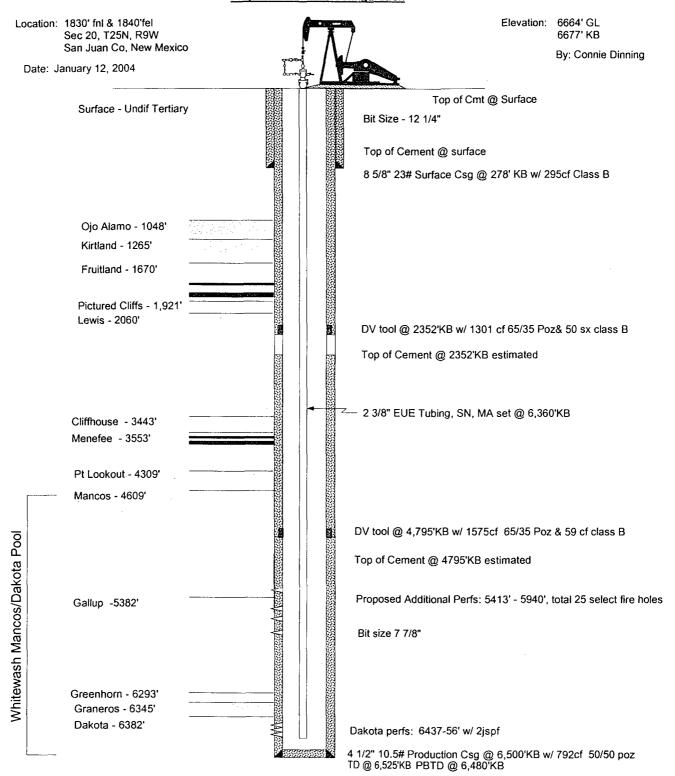
- RU air package. TIH w/ bit (or mill) and drill collars on 2-3/8" tbg, clean out sand using air to BP.
- 2. Drill out BP and continue cleaning out well down to PBTD (6480').
- 3. TOH and lay down collars and bit.
- 4. Run production tubing string with 20' mud anchor (open ended) w/ small hole near top and seating nipple. Land production tubing with top of MA at or below bottom of Dakota perfs at approximately 6460' KB (Bottom perf @ 6456' KB).
- 5. Nipple down BOPs. Pick up 11/4" pump and run in hole on rods as follows:

40 ea. ¾" plain 130 ea. ¾" plain 16 ea. ¾" plain 72 ea. ¾" scrapered

- 5. Load tbg w/ water and check pump action before RD.
- 6. RD & MOL. Report production for two weeks.

Merrion Oil & Gas Corporation Wellbore Schematic

Federal 20 No. 1E <u>Proposed Wellbore Configuration</u>



Merrion Oil & Gas Corporation Wellbore Schematic

Federal 20 No. 1E Current Wellbore Configuration

Location: 1830' fnl & 1840'fel Sec 20, T25N, R9W San Juan Co, New Mexico		Elevation: 6664' GL 6677' KB
Date: January 12, 2004		By: Connie Dinning
Surface - Undif Tertiary	Top of Bit Size - 12 1/4" Top of Cement @ su	rface sg @ 278' KB w/ 295cf Class B
Ojo Alamo - 1048' Kirtland - 1265' Fruitland - 1670' Pictured Cliffs - 1,921' Lewis - 2060'	DV tool @ 2352'KB w	/ 1301 cf 65/35 Poz& 50 sx class B
	Top of Cement @ 23	52'KB estimated
Cliffhouse - 3443' Menefee - 3553' Pt Lookout - 4309'	2 3/8" EUE Tubing, S 6,340'KB (March 25,	N & notched collar on bottom@ 1985)
Mancos - 4609'	DV tool @ 4,795'KB w/	1575cf 65/35 Poz & 59 cf class B S'KB estimated
Gallup -5382'	Bit size 7 7/8"	
Greenhorn - 6293' Graneros - 6345' Dakota - 6382'	Dakota perfs: 6437-56' w/ 2jspf	
	4 1/2" 10.5# Production (TD @ 6,525'KB PBTD @ 6	Csg @ 6,500'KB w/ 792cf 50/50 poz 6,480'KB