Distribution: O+4 (BLM); 1-Accounting;/1-Land; 1-File UNITÉD STATES rm 3160-5 FORM APPROVED (June 1990) DEPARTMEN'T OF THE INTERIOR Budget Bureau No. 1004-0135 Expires: March 31, 1993 BUREAU OF/LAND MANAGEMENT 5. Lease Designation and Serial No. 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 7 | If Unit or CA. Agreement Designation SUBMIT IN TRIPLICATE Type of Well Gas X Well Well Well Name and No. Name of Operator Pot Mesa No. 4 API Well No. Merrion Oil & Gas Corporation 30-031-20890 Address and Telephone No. 610 Reilly Avenue, Farmington, NM 87401-2634 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) Pot Mesa Mesaverde 11. County or Parish, State 465' fnl & 1780' fwl (ne nw) Section 10, T20N, R6W McKinley County, **New Mexico** 12. CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Abandonment Notice of Intent Change of Plans Recompletion New Construction Plugging Back Non-Routine Fracturing Subsequent Report Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other Dispose Water (Note: Report results of multiple completion on 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 to plug and abandon the subject well according to the attached procedure. We are continuing study on the development of a productive Fruitland sand or coal in the area. If logs indicate that this formation will not produce hydrocarbons in paying quantities, we request that the Fruitland plug be deleted. I hereby certify that the foregoing is true and correct Title Engineer 9/19/00 Signed Connie S. Dinning (This space for Federal or State office use) Approved By 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

PLUG & ABANDONMENT PROCEDURE

9/18/00

Pot Mesa #4

WC Mesaverde 465' FNL and 1780' FWL, Section 10, T-20-N, R-6-W McKinley Co., New Mexico

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

- 1. Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and Merrion safety regulations. MOL and RU daylight pulling unit. NU relief line. Blow down well and kill with water as necessary.
- 2. POH and LD rods and pump. Hot oil tubing if necessary. TOH and tally 2-7/8" tubing (90 joints, total 2975'); visually inspect the tubing, if necessary LD bad tubing and PU workstring. Round-trip 5-1/2" gauge ring or casing scraper to 2100'.
- 3. Plug #1 (Menefee interval, 2100' 2004'): Set a 5-1/2" CIBP or CR at 2100'. TIH with open ended tubing workstring and tag. Load casing with water and circulate clean. Pressure test casing to 500#, if casing does not test then spot or tag subsequent plug as appropriate. Mix 18 sacks Class B cement and spot a balanced plug above the CIBP to isolate the Menefee perforations. PUH to 1470'.
- 4. Plug #2 (LaVentana top, 1470' 1370'): Mix and pump 18 sxs Class B cement and spot a balanced plug inside the casing to cover LaVentana top. TOH to 713'.
- 5. Plug #3 (Pictured Cliffs top, 713' 613'): Mix and pump 18 sxs Class B cement and spot a balanced plug inside the casing to cover PC top. TOH 460'.
- Plug #4 (Fruitland, Kirtland, Ojo Alamo and Surface casing shoe, 460' Surface): Establish
 circulation out casing valve. Mix and pump approximately 52 sxs Class B cement to fill the
 inside of the casing from 307' to surface, circulate good cement out casing valve. TOH and
 LD tubing. Shut in well and WOC.
- 7. ND BOP and cut off casing below surface. Install P&A marker with cement to comply with regulations. RD, Move off location, cut off anchors and restore location.

Pot Mesa #4

Current

WC Mesaverde

TD 3190'

NW Section 10, T-20-N, R-6-W, McKinley County, NM

Today's Date: 9/18/00 Spud: 10/29/85 Completed: 12/27/85 Eievation: 6850' GI 6858' KB

Ojo Alamo @ 202'

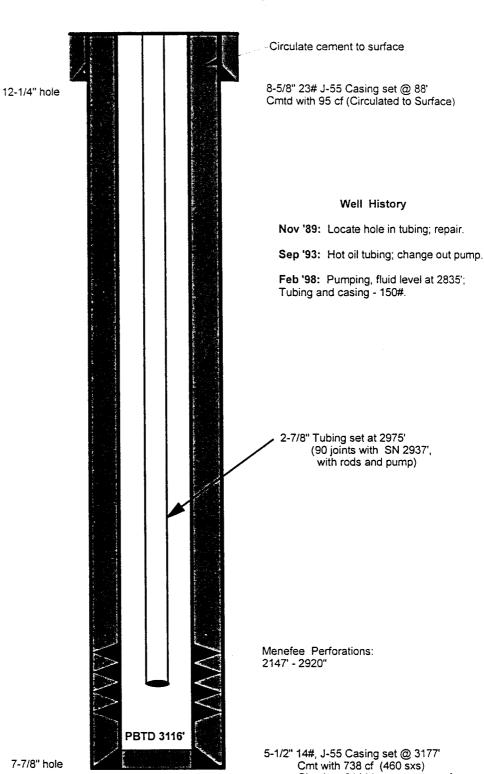
Kirtland @ 257'

Fruitland @ 410'

Pictured Cliffs @ 663'

LaVentana @ 1420'

Menefee @ 2047'



Circulate 21 bbls cement to surface

Pot Mesa #4

Proposed P&A

WC Mesaverde

NW Section 10, T-20-N, R-6-W, McKinley County, NM

Today's Date: 9/18/00 Spud: 10/29/85 Completed: 12/27/85 Elevation: 6850' GI

6858' KB

Ojo Alamo @ 202'

Kirtland @ 257'

Fruitland @ 410'

Pictured Cliffs @ 663'

LaVentana @ 1420'

Menefee @ 2047'

12-1/4" hole

Circulate cement to surface

8-5/8" 23# J-55 Casing set @ 88' Cmtd with 95 cf (Circulated to Surface)

> Plug #5 460' - Surface Cmt with 52 sxs Class B

Plug #3 713' - 613' Cmt with 18 sxs Class B

Plug #2 1470' - 1370' Cmt with 18 sxs Class B

Plug #1 2100' - 2004' Cmt with 18 sxs Class B

Set CIBP @ 2100'

Menefee Perforations: 2147' - 2920'

5-1/2" 14#, J-55 Casing set @ 3177' Cmt with 738 cf (460 sxs) Circulate 21 bbls cement to surface

7-7/8" hole

TD 3190'

PBTD 3116'