- Distribution: O+4 (BLM); 1-Accounting; 1- Crystal; 1-File

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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
   Oil [X] Well Gas [ ] Well [ ] Other
2. Name of Operator
   Merrion Oil & Gas Corporation
3. Address and Telephone No.
   610 Reilly Avenue, Farmington, NM 87401-2634 **(505) 327-9801**
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
   465' fsl & 2300' fwl (se sw)
   Section 3, T20N, R6W

5. Lease Designation and Serial No.
   NM-53926
6. If Indian, Allottee or Tribe Name
7. If Unit or CA, Agreement Designation
8. Well Name and No.
   Corrales #2
9. API Well No.
   30-031-20898
10. Field and Pool, or Exploratory Area
    Pot Mesa Mesaverde
11. County or Parish, State
    McKinley County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[X] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[ ] Other _____	[ ] 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 to return the subject well to production by May 1, 1997. Economic feasibility of compression and compressor design for the subject well were dependent upon the added production from the McCollum #1, which we expected to recomplete in a lower portion of the Mesaverde. The newly opened zone in the McCollum #1 proved to be nonproductive. Facility redesign without the McCollum production is ongoing, however the weather may cause difficulty in installation of surface equipment. We therefore request additional time to return the well to production.

RECEIVED
FEB 13 1997
OIL CON. DIV.
DIST. 3

070 FARMINGTON, NM
97 FEB -6 AM 10:37
RECEIVED
BLM

14. I hereby certify that the foregoing is true and correct
Signed Connie S. Dinning Title Contract Engineer Date 2/5/97

(This space for Federal or State office use)
Approved By /S/ Duane W. Spencer Title _____ Date FEB -7 1997
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.

NMOCD