

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 Oil <input checked="" type="checkbox"/> Well Gas <input type="checkbox"/> Well Other <input type="checkbox"/>	5. Lease Designation and Serial No. SF078475
2. Name of Operator Merrion Oil & Gas Corporation	6. If Indian, Allottee or Tribe Name
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) 1650' fnl & 1650' fel G Section 17, T25N, R8W	8. Well Name and No. Stephenson No. 1
	9. API Well No. 30-045-05416
	10. Field and Pool, or Exploratory Area Dufers Pt. Gallup/DK
	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 type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>Evaluate Potential</u>
<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water <small>(Note: Report results of multiple completion on Completion or Recompletion Report and Log form.)</small>	

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 evaluate the Fruitland Coal potential in this wellbore. Porosity logs were not run over the coal interval at the time of drilling, therefore we propose to run a cased hole log to determine the potential for coal gas production. If the logs look favorable, we propose to plug back to the Fruitland Coal. If the logs are not favorable, we propose to either temporarily abandon or plug and abandon the well. Detailed procedures will follow after the coal potential has been evaluated.

14. I hereby certify that the foregoing is true and correct			
Signed	<u>Connie S. Dinning</u>	Title	<u>Contract Engineer</u>
(This space for Federal or State office use)		Date	<u>6/5/97</u>
Approved By	<u>/s/ Duane W. Spencer</u>	Title	<u>JUN 12 1997</u>
Conditions of approval, if any:			