

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 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)
**660' fnl & 660' fwl
Section 7, T26N, R11W**

5. Lease Designation and Serial No.
SF-078897A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
WESTERN No. 3

9. API Well No.
30-045-05986

10. Field and Pool, or Exploratory Area
Gallegos Gallup

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 type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<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

(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.)*

10/2/02 Road rig and equipment to location (A-Plus Well Service Rig. 6)
 Note: Notified BLM on 10/02/02 at 1:30 PM.

10/3/02 Spot in unit, rig up. Check well pressures - Tbg 50 psi, Csg 300 psi, BH 0 psi. Line pit/fence. RU 2" line, blow well down. Break WH cap off (tight-rusted). PU and release donut. Strip off 5-1/2" x 9" WH, strip on 5-1/2" x 7-5/8" companion flange. Strip on BOP/conduct ram check. RU floor and equipment to pull 2-3/8" tubing. Tally and TOH with 164 joint of 2-3/8" tbg, seating nipple, 4' perforated sub and 23' tail joint, 2-3/8" tbg at 5210'. RU wireline, RIH with 5-1/2" gauge ring to 5000'. TIH with 5-1/2" CR and set at 4985' with 158 joints. RU pump on tubing and load hole with 20 bbls water and unable to establish pressure. PU on tubing and load with 18 bbls fluid unable to catch pressure. Cut off CR and TOH with 24 stands tubing. SDON.

*** CONTINUED OTHER SIDE ***

14. I hereby certify that the foregoing is true and correct

Signed Steven S. Dunn Title Drig & Prod Manager Date 10/17/02

(This space for Federal or State office use)

Approved By _____ Title _____ Date OCT 2 1992

Conditions of approval, if any:

FARMINGTON FIELD OFFICE

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

10/4-6/02 shut down Friday and weekend.

10/07/02 TOH and look for hole with 52 joints of 2-3/8" tubing. Received orders to lay down string. TIH

with 100 joints tubing. TOH, LD 164 joints of 2-3/8" tubing. WO work string. Tally, PU & TIH with 156 joints of 2-3/8" tubing and tag CR at 4985'. PU pump truck on tubing. Load hole and circulate clean with 210 bbls water. Test casing to 800 psi, test OK. Plug #1 Mix and pump 19 sxs (15.6 cu.ft.) cement from 4985'-4818' TOC. LD tubing to 4225'. Load hole. Plug #2 Mix and pump 41 sxs (15.6 cu.ft.) cement from 4225'-3982' TOC with 27 sxs in 7-5/8" casing with 14 sxs in 5-1/2" casing covering the casing shoe and liner top. LD to TOC and TOH with 10 stands. SDON.

10/08/02 TIH with tubing, tag TOC at 3996'. LD tubing to 2370' and TOH. Load hole with water and test

casing to 800 psi - test OK. RU wireline, RIH and perf 3 HSC holes at 2325'. Load hole with 1 bbl water, attempt and unable to establish rate into perf holes. Pressure up to 1500 psi and died off to 200 psi in 10 mins. Pressure back up to 1500 psi and bled off 200 psi in 10 mins. TIH with tubing to 2370'. Plug #3 Mix and pump 53 sxs

(62.54 cu.ft.) 5.6# cement from 2373'-2137' TOC. LD tubing to 1579' and TOH. WOC. RU, RIH with wireline tag TOC at 2125'. TIH with tubing to 1577' load hole. Plug #4 Mix and pump 41 sxs (48.38 cu.ft.) 15.6# cement from 1577'-1285' TOC with 15 sxs in 7-5/8" casing, 26 sxs in 5-1/2" casing covering 5-1/2" shoe and PC top. LD tubing to 1136', TOH. FU wireline, RIH and perf 3 HSC holes at 1190'. Load hole with 5 bbls water and established rate with 2 BPM @ 300 psi. TIH with 5-1/2" DH CR and set at 1136'. Load casing, sting into CR and establish rate. Plug #5 Mix and pump 81 sxs (95.58 cu.ft.) 15.6# cement from 1190'-1009' TOC with 63 sxs outside with 7 sxs blow and 11 sxs above CR. LD all tubing. (Established circulation from ground out DH close valve). SDON.

10/09/02 Dig down floor. Dug out around 10-3/4" surface casing and ditch to pit. RU wireline, RIH and

perforated 3 HHS holes at 470'. RU up pump on casing, circulate down 5-1/2" casing BH valve with 8 bbls water. Close BH valve and established circulation from underground around 10-3/4" casing, open BH valve. Plug #6 - Mix and pump 278 sxs (328.04 cu.ft.) 15.6# cement from 420' to surface (established good returns out BH valve with 239 sxs, close valve and pump 39 sxs with 500 psi pump rate, did not establish circulation up from ground around 10-3/4"). ND BCP and screw off WH, 5-1/2" showed at surface. BH had pressure shut in and WOC. RD unit. Open BH, had small amount of cement flow, 5-1/2" was still at surface. Close BH and WOC (requested by Ron Snow w/BLM). Open BH had 1/8" stream with steady flow. Screw on WH. RU pump on 5-1/2" casing immediately pressured up to 1500 psi and held. RU on BH pumped 5 bbls water with 200 psi pump rate and started to circulate water from ground around 10-3/4". Shut well in. SDON.

10/10/02 Wait on load of water. Plug #6A - RU pump on BH. Mix and pump 56 sxs (66.08 cu.ft.) 15.6# cement down BH with good returns out from ground around 10-3/4" casing. Screw off WH and set dry hole maker with 20 sxs. Dig out and cut off anchors. RD cement truck and clean location.