Distribution: O+4 (BLM); 1-Accounting; 1-Land; 1-File FORM APPROVED **UNITED STATES** Form 3160-5 Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR (June 1990) Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT Lease Designation and Serial No. SUNDRY NOTICES AND REPORTS ON WELL'S COT 12 File 1: 97 NM-16476 Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. If Indian, Allottee or Tribe Name Use "APPLICATION FOR PERMIT--" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE Type of Well X Well Well Name of Operator HANSON No. 33 (25884) API Well No. Merrion Oil & Gas Corporation 30-045-29837 Address and Telephone No. 10. Field and Pool, or Exploratory Area 610 Reilly Avenue, Farmington, NM 87401-2634 Location of Well (Footage, Sec., T., R., M., or Survey Description) WAW Fruitland Sand Pictured Cliffs (87190) 11. County or Parish, State 1450' fnl & 1850' fwl (senw) San Juan County, Section 36, T27N, R12W, NMPM New Mexico CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Abandonment Notice of Intent Recompletion New Construction Non-Routine Fracturing Plugging Back Subsequent Report Water Shut-Off Casing Repair Conversion to Injection Altering Casing Final Abandonment Notice Perfd. Fracd & Tbg Rpts Dispose Water Other (Note: Report results of multiple completion on Completion or Recompletion Report and Log form.) 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.)\* Set frac tanks and install 4-1/2" frac valve. Had Stinger Well Service pressure test casing to 3500# - held OK. RU BWWL 10/4/00 and run GR/CCL from 1374' to surface. Run with 3-1/8" select fire casing gun and perforate the following depths at 1 SPF: 1105', 17', 30', 36', 45', 62', 73', 80', 87', 97', 1208', 10', 33', 34', 35', 36', 37', 38', 39' (total of 19 holes – EHD 0.34" diameter). Shut well in. Ball off and frac scheduled for 10/5/00. RU American Energy Services. Pressure test pumps and lines to 4500#. Held safety meeting. Pumped 500 gal of 15% HCl 10/5/00 acid with clay stabilizer and 50 each 1.3 SG ball sealers. Good ball action up to 1800#, did not get complete ball off. RIH with junk basket and recovered 50 balls with 21 hits. Pumped 8,200 gal 70 Q foam pad. Frac well with 70,000# 20/40 Brady sand in 70 Q foam. Pumped sand in 1,2,3,4 (DH conc.) ppg stages with SPE additive. AIR 32.5 BPM, MIR 30 BPM, ATP 1750#, MTP 1850#. Job complete at 10:40 hrs 10/5/00. ISIP 1140#. Total fluid pumped 291 bbls. Opened well thru 1/4" choke to pit at 15:00 hrs 10/5/00. Well blew back nitrogen for approx. 5 mins then started flowing back nitrogen mist with some sand. Left well flowing back to pit overnight. \*\* CONTINUED OTHER SIDE \*\*\* I hereby c afy that the foregoing Title Drlg & Prod Manager ACCEPTENT RECORD steven S. Dunn this space for Federal or State office use) NOV 2 8 2000 Title 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 applialse, fictiti or representations as to any matter within its jurisdiction.

10/6/00 MIRU JC Well Service 10/6/00. Found well flowing small amount of foam mist and nitrogen/gas. NU WH. Remove thread lines. Break circulation with produced water and circulate out frac sand to PBTD (1371' KB). Pull up to approx. 1100', shut down for 30 mins. TIH to 1371' no fill. Secure location and SD for weekend.

10/7-8/00 Shut down for weekend.

10/9/00 Start TIH with tubing when well unloaded sand/water and gas. Well flowed out casing for approx. 45 mins. RU pump and lines, killed well with approx. 10 bbls of water. TIH with tubing and tag up on sand/fill at approx. 1260'. RU to reverse circulate. Pumped approx. 30 bbls before establish circulation. Attempt to circulate out sand/fill but kept losing circulation. TOH. PU bailer and TIH on tubing. Bail out sand/fill to PBTD at 1371' KB. Pull up and shut down for approx. 30 mins. TIH to 1371', no fill. TOH, TIH with tail joint, seating nipple and 38 joints of 2-3/8", 4.7#, EUE tubing. Land bottom of tubing at 1227' KB. NU WH. RIH with 2" x 1-1/4" x 12' RHAC pump on 47 each 3/4" plain rods, 1 each 8' pony and 1 each 4' pony. Install 16' polish rod with liner and stuffing box (note: polish rod had 7/8" pins). Space put pump and clamp rods off on stuffing box. Ready for pumping unit. Shut well in. RDMOL.