

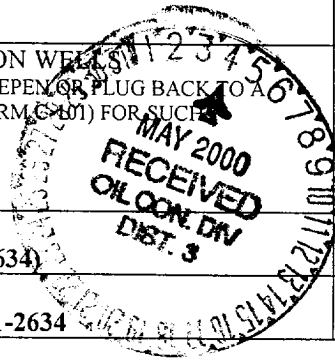
Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 811 South First, Artesia, NM 87210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO. 30-045-30084
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Katy (25175)
8. Well No. 1
9. Pool name or Wildcat (71280) Aztec Pictured Cliffs



SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM CS-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
MERRION OIL & GAS CORPORATION (014634)

3. Address of Operator
610 Reilly Avenue, Farmington, New Mexico 87401-2634

4. Well Location
 Unit Letter B : 890 feet from the north line and 1625 feet from the east line
 Section 26 Township 30N Range 12W NMPM County San Juan

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
5640'

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Perf, frac & Tbg reports <input checked="" type="checkbox"/>	

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

4/25/00 RU American Energy Services 4/25/00. Pressure test casing to 3500 psi for 10 mins. RU Blue Jet to log and perf, PBTD at 1942'. Perforated from 1837'-65' (2 jspf, 28', 56 holes - .34" diameter). RU American Energy Services. Breakdown perfs at 1700 psi with water, 7.2 bbls at 650 psi. ISIP 350 psi. Start 500 gal 15% HCl and 85 - 3/4" RCN balls, 4.7 bbls, PM break at 1420 psi. Balled off 3500 psi, surge off balls. RU junk basket, get back 85 bbls, 56 with hits. SDON.

4/26/00 RU American Energy Services 4/26/00 to foam frac. Frac via 4-1/2" casing with 70 Q cross-linked 25 KCl foam. Pad 8000 gal. RU sand #1, #2, #3 and #4, Brady 16/30, 61,160#. Flush with foam. Rate 30 BPM, MTP 1000 psi, Max. 1600 psi, ISDP 1400 psi, 15 min SI 1160 psi. Put well on 1/4" choke to flow back. Well sanded off after 1 hour flow due to screening out on flush. Left open to pit.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Drlg & Prod Manager DATE 5/3/00

Type or print name Steven S. Dunn Telephone No. 505.327.9801

(This space for State use) ORIGINAL SIGNED BY CHARLIE T. FERRIN

APPROVED BY _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE MAY -4 2000

Conditions of approval, if any: