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- 3/04/01 Drilling ahead with bit #3 (7-7/8", HTC, GTS09C) and water and polymer. Drilling approx. 45 fph at report time.
- 3/05/01 Drilling ahead with bit #3 (7-7/8", HTC, GTS09C) and water and polymer. Drilling approx. 40 fph at report time.
- 3/06/01 Drilling ahead w/ bit #3 (7-7/8", HTC, GTS09C) and water and polymer. Drilling approx. 32 fph at report time.
- 3/07/01 Drilling ahead w/ bit #3 (7-7/8", HTC, GTS09C) and water and polymer. Drilling approx. 50 fph at report time.
- 3/08/01 Drill to 6093' with bit #3 (7-7/8", HTC, GTS09C) with water and polymer. Trip out of hole and make up bit # 4 (7-7/8", HTC, HR-50). Trip in hole with bit #4, hit bridge @ 5475'. Wash thru bridge and circulate, continue TIH. Tagged bridge @ 5844', hole became tight, wash thru bridges from 5844' to 6093', began mud up while washing to bottom. Drilling approx. 12 fph at report time.
- 3/09/01 Drilling with bit #4 (7-7/8", HTC, HR-50) approx. 8' feet per hour @ report time.
- 3/10/01 Drilling with bit #4 to TD @ 6570' KB, circulate 1 hour and short trip to 5700', no drag, no fill. Circulate 1-1/2 hours and trip out to log, strap out of hole. Rigging up Halliburton to log @ report time.
- 3/11/01 RU Halliburton to log. RIH, tagged bridge @ 800'. Worked logging tools to 1240' feet, hole became tight, came out of hole with tools and TIH. Tagged bridge @ 1240', went thru without circulating, had 8' of fill on bottom, mix Desco-LCM flush and circulate 1-1/2 hours. TOH to log, logs went to 6565'. RD loggers and TIH with bit #4, break viscosity back to 50 sec. Qt., circulate and waiting on daylight to lay down drill pipe @ report time.
- 3/12/01 LDDP & DCs. RU San Juan Casing run 156 joints 4-1/2", 10.5#, J55, ST&C casing set @ 6575' KB, float collar @ 6527' KB, DV tool @ 4392' KB. RU and circulate casing on bottom. Safety meeting with BJ precede cement with 20 bbls gel water, 10 bbls water spacer, cement with 350 sxs (707 cuft) light HS, with 6% bentonite, 7# sx. CSE, 3% PtCl. 0.2% Sodium Metasilicate, 1/4# celloflake sx and 0.4% FL-52, displace with 33 bbls water and 70 bbls of mud, plug down @ 1615 hours 3/12/01. Drop bomb, open DV tool @ 720 psi and circulate 4 hours. Precede 2nd stage with 20 bbls gel water, 10 bbls water. Lead with 582 sxs (1240 cuft), Type III, 8% bentonite, 5# sx LCM, 1/4# sx celloflake, 3% CaCl, 0.4% Sodium Metasilicate, and 0.4% FL-52. Tail with 215 sxs (434 cu ft.) light H.S., 3% Potassium Chloride, 1/4# celloflake sx, 6% bentonite, 0.2% Sodium Metasilicate, 7# sx. CSE, and 0.4% FL-52, plug down @ 2200 hours 3/13/01. Circulate 2 bbls cement to surface. ND and set 70,000# on 4-1/2" slips. Rigging down to move @ report time.
- 3/13/01 Rig down. WOCT.
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Submit 3 Copies To Appropriate District

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

WELL API NO. 30-045-30425		Indicate Type of Lease STATE ☒ FEE ☐		6. State Oil & Gas Lease No.		7. Lease Name or Unit Agreement Name: PINON HILLS COM (26820)		8. Well No. 001E		9. Pool name or Wildcat Basin Dakota (71599)		4. Well Location 610 Rellly Avenue, Farmington, New Mexico 87401-2634		3. Address of Operator		2. Name of Operator MERRION OIL & GAS CORPORATION (014634)		1. Type of Well: ☒ Gas Well ☐ Oil Well ☐ Other									
SUNDARY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BA DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)												1. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		NOTICE OF INTENTION TO: ☐ PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ CHANGE PLANS ☐ MULTIPLE COMPLETION ☐ TEMPORARILY ABANDON ☐ PULL OR ALTER CASING ☐ OTHER:		SUBSEQUENT REPORT OF: ☐ REMEDIAL WORK ☐ ALTERING CASING ☐ PLUG AND ABANDONMENT ☐ CASING TEST AND CEMENT JOB ☐ OTHER: Spd, Csg & TD reports ☒		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 recompletion.		3/01/01 Completed lining pit. Aztec Well Service Rig #124 moved on location. SDON		3/02/01 RU rig and surface equipment. Install sound abatement panels and flex hose on mufflers. Mix spud mud. Drill rat and mouse hole. Spud 12-1/4", HTC, RT-203 surface hole at 1930 hrs 3/2/01 with bit #1. Drill to 40' and change out bits. TD surface hole with bit #2 (12-1/4", HTC, R1) at 367'. Circulate hole clean and TOH. RU casing crew and run 8 joints (337.59') of 8-5/8", K-55, ST&C casing and land at 352' KB. RU American Energy Services. Precede cement with 20 bbls of fresh water. Mix and pump 291 sx (343 cu.ft.) of Class "H" cement with 2% CaCl2. Displace cement with 20 bbls of water. PD at 0400 hrs 3/3/01. Circulate out 20 bbls of cement to surface. WOC.		3/03/01 WOC. NU BOP, choke manifold, mudcross, accumulator and related surface equipment. Pressure test casing, BOP and choke manifold to 1500 psi - held OK. TTH with bit #3 (7-7/8", HTC, GTS09C). Tag up on cement at 315'. Break circulation and drill out cement. Continue drilling new formation. Drilling ahead at report time at approximately 80 fph.			
Section 36 Township 30N Range 13W NMPM San Juan County												10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5601'		11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		SUBSEQUENT REPORT OF: ☐ REMEDIAL WORK ☐ ALTERING CASING ☐ PLUG AND ABANDONMENT ☐ CASING TEST AND CEMENT JOB ☐ OTHER: Spd, Csg & TD reports ☒		NOTICE OF INTENTION TO: ☐ PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ CHANGE PLANS ☐ MULTIPLE COMPLETION ☐ TEMPORARILY ABANDON ☐ PULL OR ALTER CASING ☐ OTHER:		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 recompletion.		3/01/01 Completed lining pit. Aztec Well Service Rig #124 moved on location. SDON		3/02/01 RU rig and surface equipment. Install sound abatement panels and flex hose on mufflers. Mix spud mud. Drill rat and mouse hole. Spud 12-1/4", HTC, RT-203 surface hole at 1930 hrs 3/2/01 with bit #1. Drill to 40' and change out bits. TD surface hole with bit #2 (12-1/4", HTC, R1) at 367'. Circulate hole clean and TOH. RU casing crew and run 8 joints (337.59') of 8-5/8", K-55, ST&C casing and land at 352' KB. RU American Energy Services. Precede cement with 20 bbls of fresh water. Mix and pump 291 sx (343 cu.ft.) of Class "H" cement with 2% CaCl2. Displace cement with 20 bbls of water. PD at 0400 hrs 3/3/01. Circulate out 20 bbls of cement to surface. WOC.		3/03/01 WOC. NU BOP, choke manifold, mudcross, accumulator and related surface equipment. Pressure test casing, BOP and choke manifold to 1500 psi - held OK. TTH with bit #3 (7-7/8", HTC, GTS09C). Tag up on cement at 315'. Break circulation and drill out cement. Continue drilling new formation. Drilling ahead at report time at approximately 80 fph.	

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

CONTINUED OTHER SIDE

SIGNATURE DATE 3/14/01 Drig & Prod Manager

Type or print name STEVEN S. DUNN Telephone No. (505) 327-9801

(This space for APPROVED BY DATE MAR 15 2001 TITLE APPROVED BY DATE MAR 15 2001

Conditions of approval, if any: