

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  
APR 2001  
RECEIVED  
OIL CON. DIV  
DIST. 3

WELL API NO.

304045-30425

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

PINON HILLS COM (26820)

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 C-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 A : 456 feet from the North line and 677 feet from the East line

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ 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 recompilation.

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. TIH 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.

\*\*\*CONTINUED OTHER SIDE\*\*\*

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

SIGNATURE

TITLE

Drig & Prod Manager

DATE 4/25/01

Type or print name STEVEN S. DUNN

Telephone No. (505) 327-9801

(This space for State use)

APPROVED BY

TITLE

DATE

Conditions of approval, if any:

ORIGINAL SIGNED BY CHARLES T. PETERSON

DEPUTY OIL & GAS INSPECTOR DIST. 3

APR 26 2001

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3/13/01 | Rig down. WOCT.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 3/12/01 | <p>LDDP &amp; DCs. RU San Juan Casing run 156 joints 4-1/2", 10.5#, J55, ST&amp;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% PCL, 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.</p> |
| 3/11/01 | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3/10/01 | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3/09/01 | <p>Drilling with bit #4 (7-7/8", HTC, HR-50) approx. 8' feet per hour @ report time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 3/08/01 | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3/07/01 | <p>Drilling ahead w/ bit #3 (7-7/8", HTC, GTS09C) and water and polymer. Drilling approx. 50 fph at report time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3/06/01 | <p>Drilling ahead w/ bit #3 (7-7/8", HTC, GTS09C) and water and polymer. Drilling approx. 32 fph at report time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3/05/01 | <p>Drilling ahead with bit #3 (7-7/8", HTC, GTS09C) and water and polymer. Drilling approx. 40 fph at report time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 3/04/01 | <p>Drilling ahead with bit #3 (7-7/8", HTC, GTS09C) and water and polymer. Drilling approx. 45 fph at report time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |