

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

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-103) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-30429
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator MERRION OIL & GAS CORPORATION (014634)		6. State Oil & Gas Lease No.
3. Address of Operator 610 Reilly Avenue, Farmington, New Mexico 87401-2634		Lease Name or Unit Agreement Name: KNIGHT COM (026929)
4. Well Location Unit Letter M : 417 feet from the South line and 860 feet from the West line Section 36 Township 30N Range 13W NMPM San Juan , County		8. Well No. 001
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5545'		9. Pool name or Wildcat Fulcher Kutz Pictured Cliffs (77200)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <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.

7/14/01 Set frac tanks and install 4-1/2" frac valve. Spot flowback tank. RU Blue Jet and ran GR/CCL from PBTD (1652') to 1000'. RIH with dump bailer and spot approx. 20 gal of 15% HCl with inhibitors across Pictured Cliffs zone. RIH with 3-1/8" casing gun and perforate the Pictured Cliffs formation at 4 SPF: 1526'-1536' (total of 40 holes), EHD 0.34". Shut well in.

7/19/01 RU American Energy Services. Pressure test pumps and lines. Pumped 6500 gal 70 Q x-linked foam pad. Frac well with 62,000# of 16/30 Brady sand in 70 Q x-linked foam. Pumped sand in 1, 2, 3 & 4 (DH conc.) ppg stages. Last 12,000# of sand was resin coated. Note: base fluid was 20# liner gel, x-linked on the fly. AIR: 30 bpm, MIR: 31 bpm, ATP: 1090#, MTP: 1133#. Job complete @ 15:30 hrs 7/19/01. ISIP: 850#, 5 min: 785#, 10 min: 784#, 15 min: 788#. Total fluid pumped 290 bbls. Shut well in, RD AES. Open well to flowback tank thru 1/2" choke at 1615 hrs 7/19/01. Well making foam and broken gel. At 1900 hrs well was still flowing strong, SWI overnight.

7/20-22/01 Well flowing with steady vent.

CONTINUED OTHER SIDE

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

SIGNATURE STEVEN S. DUNN TITLE Drig & Prod Manager DATE 8/14/01

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

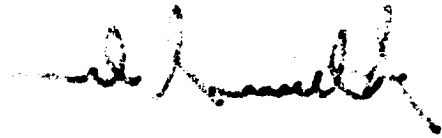
(This space for State use) ORIGINAL SIGNED BY CHARLIE T. PIPPIN

DEPUTY OIL & GAS INSPECTOR, DIST. 4

AUG 15 2001

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:



8/03/01 MIRU JC Well Service 8/3/01. Found well dead. ND WH and manifold, NU BOP. Tally and PU 2-3/8" tubing, TIH with tubing and tag sand/fill at 1527' KB. TOH with tubing. Shut well in and SD over weekend.

8/06/01 RIH with bailer. CO fill to 1605' before bailer quit. TOH and CO sand from tubing and bailer. Repair bailer (change out swab cups) and TIH. Finish CO to PSTD (1654'). TOH and CO bailer and tubing. TIH with tail joint, seating nipple and 47 joints of 2-3/8", 4.7#, J-55, EVE tubing. Bottom of tubing landed at 1534' KB. ND BOP and NU WH. RUTS. Will start swabbing in morning. SWI and SDON.

8/07/01 Finish RU flowback manifold. Made 20 swab runs. IFL was approx. 1300' (hard to tell exactly where fluid level was). After 20th run, fluid level was up to approx. 1100'. Recovered approx. 25 bbls of fluid. Casing pressure was up to 50# and increasing. Shut well in. RDMOL. WO tie-in.