

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. 30-045-30456
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 COM (028016)
8. Well No. 002
9. Pool name or Wildcat Aztec Pictured Cliffs (71280)
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5686'

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 **P** : **1199** feet from the **South** line and **1263** feet from the **East** line
 Section **26** Township **30N** Range **12W** NMPM **San Juan**, County

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"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: COMPLETION <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.

5/22/01 Set frac tanks and install 4-1/2" frac valve. RU Blue Jet and run GR/CCL from PBTD to 1600'. RIH with dump bailer and spot approx. 30 gal of 15% HCl with inhibitors across Pictured Cliff zone. RIH with 3-1/8" casing gun and perforate the Pictured Cliff formation at 2 spf: 1855'-1858' & 1864'-1876' (total of 30 holes - EHD: 0.34"). Shut well in. Frac scheduled 5/24/01.

5/24/01 RU American Energy Services. Held safety meeting. Pumped 6,500 gal 70 Q x-linked foam pad. Frac well with 64,000# of 16/30 Brady sand in 70 Q x-linked foam. Pumped sand in 1, 2, 3 & 4 (DH conc.) ppg stages. Last 10,000# of sand was resin coated. Note: base fluid was 20# liner gel, x-linked on the fly. AIR: 30 bpm, MIR: 33 bpm, ATP: 1,450#, MTP: 2,300#. Job complete @ 1615 hrs 5/24/00. ISIP: 1,050#, 5 min: 1,020#, 10 min: 1,020#, 15 min: 1,015#. Total fluid pumped: 270 bbls. Shut well in and RD AES. RU flow back and start flow back at 1800 hrs. Well making foam and sand. Left flowing to pit. WO Tie-In.

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

SIGNATURE  TITLE **Drlg & Prod Manager** DATE **6/4/01**

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

(This space for State use)
 APPROVED BY **CHARLIE T. PEPPERIN** TITLE **DEPUTY OIL & GAS INSPECTOR, DIST. III** DATE **JUN - 5 2001**

Conditions of approval, if any: