

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-045-32213

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

MONCRIEF

8. Well Number 1R

9. OGRID Number 014634

10. Pool name or Wildcat
GALLEGOS GALLUP/BASIN DAKOTA

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

3. Address of Operator
610 REILLY AVENUE, FARMINGTON, NM 87401

4. Well Location

Unit Letter O : 880 feet from the South line and 1900 feet from the East line
Section 16 Township 26N Range 11W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6270'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. 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 COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☒ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. 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.

9/16/04 Road rig & equipment from Rosa Unit. Move onto location and rig up Key #43. Mix spud mud and drill rat and mouse hole. Spud 12-1/4" surface hole at 02:30 hrs 9/16/04 with bit #1 (12-1/4", HTC, J13). Drilling ahead at report time at a depth of 75'. ROP: 45 fph.

9/17/04 Continued drilling, slow going. TD 12-1/4" hole at 14:30 hrs 9/16/04. Circulate, run survey. TOH. Run 7 joints (310.24') of 9-5/8", 36#, J-55, ST&C casing land at 324' KB. RU BJ Services & held safety meeting. Precede cement with 20 bbls of fresh water. Cement with 160 sxs (224 cu.ft) of Type III with 1/4#/sx of cello flake and 3% CaCl2. Good circulation throughout cement job. PD at 18:30 hrs. 9/16/04. Circulate out 15 bbls of good cement to surface. RD cementer's. WOC. Back off landing joint. Install casing head. NU BOP, choke valve and related surface equipment. (DC)
Survey: 335' @ 1-1/4"

9/18/04 Finished testing BOP to 1000 psi, casing to 600 psi - OK. Made up bit and shock sub. TIH and tagged top of cement @ 252'. Drilled out cement to 9-5/8" casing shoe @ 335'. Drilled formation from 335' to 1921' with surveys @ 820', 1324' and 1819'. Pump pressure increased from 1200 psi to 1900 psi while drilling @ 1700'. (DC)
Surveys: 820' @ 1°, 1324' @ 1°, 1819' @ 3/4°

*** CONTINUED OTHER SIDE ***

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Drlg & Prod Manager DATE Sept. 29, 2004

Type or print name
For State Use Only

E-mail address:

Telephone No.

APPROVED BY: [Signature]

TITLE

DATE

Conditions of Approval (if any):

DEPUTY OIL & GAS INSPECTOR, DIST. #8

SEP 30 2004

9/19/04 Drilled formation 1921 to 1984'. Pump pressure still 1700-1900 psi. TOOH with plugged bit, found bit plugged with piece of sash rope. Bit was running on iron with most buttons gone. Waited for junket basket. TIH with bit #3. Cleaned out 30' fill to bottom. Drilled from 1984' to 2853' with survey @ 2380'. Unloaded, drifted, cleaned and tallied 7" casing. Drilling @ 2853' @ report time. (DC)
Survey: 2380' @ 1°

9/20/04 Drilled formation 2853 to 3450' with surveys @ 2875' and 3367'. TOH with bit #3. Bearings gone on two cones. TIH with bit #4. Cleaned out and reamed bottom 100' of hole. Drilled formation 3450' to 3717'. (DC)
Survey: 2875' @ 1/2°
3367' @ 1-14°

9/21/04 Drilled formation 3717' to 3874'. Ran survey @ 3874' @ 1°. Drilled formation 3874' to 4350', began mixing mud @ 4150'. Circulated hole 45 mins, made 20 stds short trip. Circulated hole 2.5 hrs. Ran survey @ 4350' @ 1-1/4°. TOH LDDP and DCs. (DC)

9/22/04 Finish LDDCs, change out rams. RU casing crew, held safety meeting. Run 104 joints (4347.10') of 7", 23#, J-55, LT&C casing land at 4360' KB. (Note: adjusted TD to 4361' from 4350'). Float collar at 4317' KB. Wash casing to bottom and circulate. RU BJ Services and hold safety meeting. Precede cement with 10 bbls of water, 10 bbls of mud clean followed by another 10 bbls water spacer. Mix and pump 531 sxs (1136 cu.ft.) of Premium Lite with 8% gel, 1/4#/sx CF, 3% Phenoseal, 3% CaCl₂, 0.4% SMS, tail with 100 sxs (140 cu.ft.) of Type III with 1/4#/sx CF, 2% Phenoseal, 0.2% FL-52. Drop plug and displace with 170 bbls of fresh water. PD at 14:30 hrs 9/21/04. Pressure up to 1500 psi, release pressure - float held OK. Circulate out 20 bbls of cement. RD BJ. ND BOP, set slips with 60K tension. Cut off casing, clean cement out of BOP. NU BOP and RU Blooie line. Change out kelly. PU and test air hammer (bit #5, Dominator 600, Halco), TIH on 9 each 4-3/4" DCs and 3-1/2" DP. Pressure test BOP and casing to 1000 psi - held OK. Continue PU drill pipe and TIH to 2320'. Bring air on line to unload well. Unloading at report time. (DC)

9/23/04 Finish unloading well with air at 2320'. Change out butterfly valve on blooie line. Pick up 3-1/2" drill pipe out of baskets, tally and RIH. Unload hole again at 3930' while picking up drill pipe out of baskets. Continue TIH; tag up on cement at 4276'. Drill out cement, float collar and shoe joint with air/mist. Drill ~12' of new formation below casing shoe. Pump 10 gals of soap and cut mist. Dry up hole, continue drilling new formation. Well dusting at 16:00 hrs 9/22/04. Drilled to 5099', ROP ~120 fph. Trip for string float. Run survey at 5099' @ 3/4°. RU Weatherford Mobil Nitrogen Unit and bring online with air compressors. Continued drilling. Hole started getting wet while drilling Gallup formation at ~5280'. Continued drilling down to 5342' but well was not dusting. Pipe starting to drag 4-5K over normal PU weight. Stand pipe pressure increased ~40 psi, concerned that mud rings were starting to form. Cut air and nitrogen unit. Stand back kelly and TOH. TOH at report time. (JT)
Survey: 5059' @ 3/4°

9/24/04 Finish TOH. Lay down hammer bit. Re-condition mud (that was left in pit and add LCM). Pump down fill up line while TIH w/ DC's. Tally and PU 11 more 4-3/4" DC's. Mix additional mud (lost approximately 120 bbls of fluid). PU kelly and attempt to circulate. Plugged bit. TOH and clean out LCM from float above bit. TIH w/ collars (filling with water). Break circulation, got good returns after pumping approx. 6 mins. Mud and circulation looked OK. Continue TIH, stopping to break circulation every ~1500'. Wash approximately 40' to bottom and continue drilling. Drilling 10'-12' fph. Drilling at report time. (JT)
Survey: 5059' @ 3/4°

9/25/04 Continue drilling ahead with bit #6 (6-1/4", HTC, STX-20). Drilled 295' in 23.35 hrs of drilling, ROP 12.7' fph. Drilling ahead at report time. (JT)

9/26/04 Continue drilling ahead with bit #6 (6-1/4", HTC, STX-20). Drilled 266' in 23 hrs of drilling. ROP 11.6' fph. Drilling ahead at report time. (JT)

9/27/04 Continued drilling with bit #6 (6-1/4", HTC, STX-20) to 6136'. ROP slowed down to less than 4' fph. Circulate hole for 30 mins, drop totco survey. TOH. Change out bit. Will run bit #7 (6-1/4", HTC, STX-35). Mud looks good have not lost any more fluid since the initial mud up. (JT)

9/28/04 Finish changing out bits. Cut drilling line. TIH with bit #7 (6-1/4", HTC, STX-35). Kelly up and break circulation at ~3200'. Finish TIH (had ~1' of fill). Continue drilling. ROP varied from 4' fph to 15' fph. Hit drilling break at 6236'. Pull off bottom at 6245' to check for flow - none. Continued drilling kelly down to 6286'. TD well at 6286' at 23:45 hrs 9/27/04. Circulation and condition mud. Pull 10 stands short trip, no drag, no fill. Circulate additional 45 mins. Pump "bar" slug, drop totco and TOH for logs. TOH with drill collars at report time. (JT)

9/29/04 Finish laying down DC's. Rig up Schlumberger Wireline Service run GR/Density/Neutron/Induction. Loggers depth: 6289', drillers depth: 6286'. Rig down loggers. TIH, LD 44 joints of drill pipe and 4-3/4" collars. RU casing crew and run 48 joints of (2087.35') of 4-1/2", 10.5#, J-55, ST&C casing, make up TIW 4-1/2" x 7" liner hanger. RU swedge to liner hanger and fill casing with mud while rigging down casing crew. Casing pressured up to 1400 psi. Release pressure and lay down liner hanger, surge pipe then pressured up to 2400 psi, finally started circulating. Make up liner hanger and RIH on 3-1/2" drill pipe, wash liner to bottom (6289'). Pull up and set liner, bottom of casing at 6287' KB, float collar at 6252' KB, top of liner hanger at 4200' KB (160' overlap into 7" casing). RU BJ Services held safety meeting. Pressure test pumps and lines, precede cement with 20 bbls of gel water, 2 bbls of water, 10 bbls of Mud Clean, 2 bbls of water, mix and pump 20 sxs (64 cu.ft.) of Premium Lite with 3#/sx CSE, 0.3% CD-32, 1% FL-52, 1/4#/sx CF & 3% Phenoseal for scavenger slurry. Tail in with 135 sxs (288 cu.ft.) of Premium Lite with 3#/sx CSE, 0.3% CD-32, 1% FL-52, 1/4#/sx CF & 3% Phenoseal. SD washed pumps and lines. Drop plug and displace cement with 63.8 bbls of water. Good circulation throughout job until last 6 bbls of displacement. Casing pressure up then bleed off finished displacement without any returns. Bump plug and pressure up 2500 psi. PD at 20:30 hrs 9/28/04. Checked float - held OK. Set pack off on liner hanger. Sting out of liner hanger and circulate out 20 bbls of good cement. RD BJ Services. LDDP and setting tool. Rig down and ready equipment for rig move. WOCT. (JT)
Survey: 6286' @ 1°