

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS****Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.****SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **MERRION OIL & GAS CORPORATION**

3a. Address
610 REILLY AVENUE, FARMINGTON, NM 87401

3b. Phone No. (include area code)
505-324-530

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1935' FNL & 1490' FEL (SW NE)
SECTION 24, T24N, R2W**

5. Lease Serial No.
NM-106653

6. If Indian, Allottee or Tribe Name
12 04

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
COOKIE DOUGH No. 1

9. API Well No.
30-039-29209

10. Field and Pool, or Exploratory Area
GAVILAN PC/BASIN FRUITLAND

11. County or Parish, State
RIO ARRIBA, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other SPUD & CSG RPT |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

12/19/04 Road rig & equipment to location. Move onto location and rig up Key #44. Mixed spud mud and drilled rat hole and mouse hole. Spudded 12-1/4" surface hole at 0115 hrs 12/19/04 with bit #1 (12-1/4", HTC, R1). TD'd 12-1/4" hole @ 285' at 0515 hrs 12/19/04, ROP: 71 fph. Circulating hole @ report time.

12/20/04 Set back Kelly and ran survey. TOH, run 6 joints (266.47') of 9-5/8", 36#, J-55, ST&C casing, land casing at 279' KB. RU Key Pressure Pumping Services & held safety meeting. Pumped 20 bbls of fresh water. Mixed and pumped 140 sxs (165 cu.ft) of Class B cement with 1/4#/sx of celloflake and 2% CaCl2. Good circulation throughout cement job. Plug down at 12:00 hrs on 12/19/04. Circulated 19 bbls of good cement to surface. RD cementers. WOC 4 hrs. Backed off landing joint. Installed casing head. NU BOP, choke valve and related surface equipment. Pressure tested blind rams, manifold and casing to 600 psi. TIH. Tested pipe rams to 600 psi. Finished TIH to TOC @ 221'. Drilled out cement to 285'. Drilling formation @ 550' @ report time.

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

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

STEVEN S. DUNNTitle **DRILLING & PRODUCTION MANAGER**

Signature

Date

12/23/2004**ACCEPTED FOR RECORD****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

FEB 07 2005
FARMINGTON FIELD OFFICE
BY 96

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD

Dec 21, 2004 Drilled f/ 550 to 799'. Circulated hole and ran survey. Drilled from f/ 799' to 1295'. Circulated hole and ran survey. Drilled f/ 1295' to 1793'. Ran survey. Drilled f/ 1793' to 2291'. Circulated hole and ran survey. Drilled f/ 2291' to 2790'. Circulated hole and ran survey. Drilled from 2790' to 2853'. Drilling @ 2853' at report time.
Surveys: 242' @ 1/4°, 799' @ 1°, 1295' @ 3/4°, 1753' @ 1°, 2251' @ 2°, 2750' @ 1°

Dec 22, 2004 Drilled f/ 2853' to TD @ 3221'. Began mudding up @ 2900'. Circulated hole. Made 10 stand short trip, no restrictions. Circulated hole. TOOH laying down drill pipe and collars. Rigged up casing crew. Ran guide shoe, 1 joint of 7", 23#, J-55, LT&C casing with insert float and 49 joints of 7" casing, hole very tight. Running casing at report time. Hole circulates without problems and there is no drag when picking up on string.
Survey: 3221' @ 1°

Dec 23, 2004 Finished running 79 joints (3246.89') 7", 23#, J-55, LT&C casing to 3221', hole very tight, circulated hole 90 mins. RU BJ Services, held safety meeting. Tested surface lines to 3500 psi, pumped 10 bbls fresh water, 10 bbls Mud Clean and 10 bbls fresh water. Mixed and pumped 286 sxs (108 bbls) Premium Lite cement containing 3% CaCl₂, 1/4lb/sx CelloFlake, 5lb/sx LMC-1, 0.4% FL-52, 7% Bentonite and 0.4% Sodium Metasilicate @ 4 BPM - 274 psi followed by 115 sxs (28 bbls) Type III cement containing 1% CaCl₂, 1/4lb/sx Celloflake and 0.2% FL-52 @ 4 BPM, 150 psi. Displaced with 126 bbls fresh water @ 4 BPM, 55 psi to 490 psi. Bumped plug with 860 psi, checked plug - held OK, had good circulation throughout job. Circulated 30 bbls good cement to surface. ND BOP. Set slips and cut off casing. RD rig and equipment. Released rig @ 1800 hrs 12/23/04. WOCT.