

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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)
505-324-5300

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

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
GAVALAN 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			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other COMPLETION
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recompleate 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 recompleation 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.)

4/20/05 Road rig from Twilight Zone #1. Spot rig. Wind blowing too hard to put derrick in air. RU air package and lines. Note: previously hauled in air pack, pipe racks, DP & DC's, blooie line, power swivel and related tools. Will rig up in morning. Plan to TIH w/ bit, DC's & DP so we can drill out Friday morning. SDON.

4/21/05 Finish rigging up. ND WH & NU BOP. Install rotating head, spool and RU blooie line. PU & TIH with 6-1/4" (HTC, HTX-20) bit, bit sub, 10 ea 4-3/4" DC's & 2-7/8" DP off of racks. Stop at 2430' and RU air package and lines. Unload hole w/ air.

4/22/05 TIH and tag up at 3179'. PU 3.5 power swivel and break circulation w/ air/mist. Drill out wiper plug and float. Continue in hole and tag up on shoe at 3221' (never felt any cement). Drill out shoe and ~ 4' of new formation. Pump 4 bbl soap sweep and cut mist to dry up hole. Continue drilling new formation w/ air only (~ 2200 scfm). Drilled ~ 36' before well started to dust. Continue drilling Fruitland Coal formation w/ air only, well dusting good. Drilled to a depth of 3319' (good dust all the way to 3319'). Stop drilling at 14:15 hrs 4/22/05. Blow hole clean and pull up inside 7" casing. SD for 1 hr. TIH to 3319' and blow well around with air. Recovered little to no fluid. Pull back up inside 7" (3161'). SWI, secure location & SDON.

CONTINUED OTHER SIDE

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

STEVEN S. DUNN

Title **DRILLING & PRODUCTION MANAGER**

Signature

Date

05/09/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Title

Date

MAY 19 2005

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

FARMINGTON FIELD OFFICE

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)

NM3CD

4/25/05

Too muddy to get to location.

4/26/05

Found well w/ 0 psi. TTH and tag fill at 3277' (42' of fill). Break circulation w/air. Well unloaded ~ 5 bbls of fluid. Cleaned out to 3319'. Continued to blow well for 1 hr. but well never dried up. Pull up inside 7" casing and shut pipe rams. Run 2" relief line from well head to reserve pit. Pump air down drill pipe. Fruitland Coal formation broke down at 1300 psi. Continued pumping for additional 15 min. Pressure stayed at 1300 psi. Bled pressure down thru 2" (slowly). TTH and found ~ 18' of fill. Clean out w/ air down to 3319'. Well still making small amount of fluid. Pull up inside 7" casing. SWI, secure location & SDON.

4/27/05

Found well w/ 0 psi. TTH and tag fill at 3236' (83' of fill). Break circulation w/air. Well making coal (coal fines and "chunks up to 1" diameter). Start mist w/ soap, corrosion inhibitor and shale treat. Clean out to 3319'. Continue drilling new formation. TD well at 3476' at 12:30 hrs 5/27/05. Pump 4 bbl soap sweep to clean up well. Cut mist and blow hole for 15 min. Cut air and pull up inside 7" casing. SWI, secure location & SDON. Plan to run liner tomorrow.

4/28/05

Found well w/450 psi. Took ~ 50 min for pressure to bleed down. TTH and tagged 73' of fill. Break circulation w/air & clean out to 3476'. Blow hole for 30 min, cut mist and blow hole for additional 15 min. Lay down 10 jts. RD & lay down power swivel and TOH. Stand back drill collars. RU casing crew. Run 10 jts of 4-1/2", J-55, 11.6#, ST&C casing (375.56'). Make up TIW liner hanger and RIH on 2-7/8" drill pipe. Circulate last joint down w/ air. Had ~ 8' of fill. Blow hole for 10 min. Set liner hanger w/ bottom of liner at 3474' KB. Float collar at 3451' KB. Top of liner hanger at 3089' KB. 132' of overlap into 7" casing. RU BJ and cement w/ 50:50 (101.5 cu.ft.) of Premium Lite HS w/ 3#/sx CSE, 1/4#/sx celloflake, 0.3% CCD-32, 0.65% F52 & 2% Phenoseal. Wash pumps and lines and displaced w/19.4 bbls of water. Caught cement 12 bbls into displacement. Bump plug and pressured up to 2200 psi. Release pressure to check float - held OK. PD at 19:30 hrs 4/28/05. Attempt to set pack off but never felt like weight getting down to pack off. Made several attempts but still could not get weight down to pack off. Pulled off liner and circulate out cement. Circulated out 10 bbls of good cement. Lay down 5 jts of drill pipe. RD BJ. Will finish TOH in morning. SWI & SDON.

4/29/05

Delayed start time until 11:00 am because crew worked late previous night (did not get back to town until ~ 11:30 pm). Continue to LD drill pipe and setting tool. TTH w/ collars. Tongs broke while making up 3rd stand of drill collars. Unable to repair. RD air package and related equipment. Secure location & SDON.

4/30/05

Repair tongs. Finish TTH w/ drill collars. Lay down drill collars. ND BOP & NU WH. ND bloole line. Ready all rental equipment to move. RD rig & MOL. Road rig to Chubby Hubby #1. SD until frac.