

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)
505-324-5300

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**790' FNL & 1650' FWL
SECTION 14, T24N, R8W**

5. Lease Serial No.
NM-16589

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
SHOOFLY No. 1

9. API Well No.
30-045-26133

10. Field and Pool, or Exploratory Area
POTWIN PICTURED CLIFFS

11. County or Parish, State
SAN JUAN, NEW MEXICO

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 P&A'D PC
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	FORMATION
	<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.)

4/0/05 Roaded rig to location and RU Professional Well Service #1 on 4/5/05. Prep to pull pump and rods. Hot oiled tbg. TOOH with rods and pump. LD all rods except for 92. Secured well and SIFN.

4/06/05 NH, NU BOP. TOOH w/ 178 jts 2-3/8", 4.6#, J-55, EUE tbg, SN, PS and 22' MA laying down tubing. Found split in tbg 2nd jt above SN. PU 3-7/8" bit and 4-1/2" casing scraper. PU 180 jts new 2-3/8" tbg. Tagged fill @ 5908' - 14' fill. TOOH. Secured well and SDFN. Hauled used tubing to Tuboscope for inspection.

4/07/05 SICP 15 psi. Prep to run RCP. Mandrel would not operate. Called for replacement. PU RCP, TIH with 169 joints of 2-3/8" tbg, set RCP @ 5497'. RU Key Pressure Pumping Services (KPPS). Held safety meeting. KPPS pumped 2 bbls 15% HCl followed by 10 bbls 15% HCl containing 3 RCNBS per bbl (total 30). Displaced with 23 bbls lease crude @ 4 BPM, caught fluid after 15 bbls displacement, pressure increasing to 950 psi with good ball action. Waited 30 mins, released packer and RIH to 5821'. RU swab and checked fluid level - 2500'. KPPS pumped 250 gals MuSol followed by 9.5 bbls oil and water. Well on slight vacuum. TOOH with rods and pump. LD all rods except for 92. Secured well and SDFN.

CONTINUED OTHER SIDE

ACCEPTED FOR RECORD
MAY 25 2005
FARMINGTON FIELD OFFICE
BY *[Signature]*

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

STEVEN S. DUNN

Title **DRILLING & PRODUCTION MANAGER**

Signature *[Signature]*

Date

05/09/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)

NMCCD

- 4/08/05 SICP 0 psi. RU Black Warrior Wireline Service. RIH and set RBP @ 2490'. ND BOP. Installed frac valve. RU Key Pressure Pumping Service. Loaded hole with 2% KCl water, tested casing and RBP to 3500 psi - test good. Ran CBL 2484 to 288' with 1000 psi on casing. Bonding excellent above and below PC, fair through PC. RIH with bailer and dumped 5 gals sand on RBP. Perforated Pictured Cliffs @ 2220'-2244' (1 sp 2 ft), 2185-2205' (1 sp 2 ft) and 2145-2176' (1 sp 2 ft). RD BWWS. ND frac valve and NU BOP. Too windy to run tbg and packer. SDFN.
- 4/09/05 SICP 0 psi. PU RCP, RIH and set RCP @ 2124'. RU KPPS. Held safety meeting. Pumped 10 bbls 2% KCl water @ 4 BPM - 1200 psi. Pumped 1000 gal 15% HCl containing 75 RCNBS. Displaced with 8.5 bbls 2% KCl @ 4 BPM - 900 psi to 1650 psi, good ball action but did not ball off. Released and ran thru perfs to knock off balls. TOH with tbg and RCP. ND BOP. NU frac valve, finished installing flowback line. RU KPPS to frac PC. Held safety meeting. Tested surface lines to 4500 psi. Frac treated well with 688 bbls 70% Quality N2 foam and 140,600# 20/40 Brady sand @ 39 - 47 BPM, 1600 - 1750 psi. ISIP -1275 psi, 5 mins - 1215 psi, 10 mins - 1188 psi, 15 mins - 1153 psi. RD KPPS. Opened well to flowback tank on 1/4" choke @ 1510 hrs - 950 psi. Pressure @ midnight 360 psi, changed to 1/2" choke and continued flowing. At 700 hrs 4/10 pressure - 200 psi. Continued flowing well. SI well @ 1800 hrs 4/10/2005.
- 4/11/05 SICP 600 psi. Blew down casing. RU BWWS and set RBP @ 500'. RD BWWS. Removed frac valve. Installed head and BU BOP. TIH with 2-3/8 tbg and released RBP. Well started flow gas and water up tbg. Waited on kill truck. RU KPPS and pumped 15 bbls 2%KCl down tbg. TOOH with tbg and RBP. TIH with 16' MA, SN and 68 joints of 2-3/8", 4.6#, J-55, EUE tubing. Pumped 7 bbls 2% KCl water while running tubing, well would not flow. RU to swab made 18 swab runs. Fluid level stable @ ~600'. Recovered 100 bbls water during day. Well still making sand. Left well open to flowback tank overnight. Did not start flowing.
- 4/12/05 CP 70 psi. TP 0 psi. Continued swabbing well. Fluid level stayed @ 500-600', recovered 150 bbls water. Casing pres slowly increased to 570 psi. At 1410 hrs well started flowing stiff foam. At 1615 hrs well started flowing water - estimated rate 24 BPH. Hooked well up to frac tank and continued flowing well overnight. Shut well in 430 hrs when tank filled. Well made 260 bbls water in 10.5 hours.
- 4/13/05 SITP 430 psi. SICP 575 psi. Opened well to frac tanks well started flowing. Flowed well to frac tanks from 800 hr until 1515 hrs, made 260 bbls water in 7-1/4 hrs. FTP 110 psi, FCP 450 psi. Shut well in @ 1515 hrs to finish connecting well to separator. Opened well to separator @ 1700 hrs, well would not flow. Left well open to tanks overnight, did not start flowing. At 0600 hrs 4/14 TP 0 psi, CP 560 psi.

4/14/05 SITP 0 psi. SICP 575 psi. RU to swab made three swab runs and well started flowing. Fluid level was @ 800'. Attempted to flow thru separator - Blowing oil and water thru meter. Bypassed separator and continued flowing. Changed orifice plate and adjusted fluid dumps. Well flowing thru separator @ 1600 hrs. FTP 30 psi, FCP 425 psi. 236 MCFPD. Continued flowing well overnight. AT 0600 hrs 4/15/05 FTP 30 psi. FCP 380 psi. Water 20 BPH, Gas 223 MCFPD. Made total of 740 bbl water since 0800 hrs 4/14/05.

Blew pressure down on meter run, removed 0.750 orifice plate and installed 1.250 orifice plate. Repaired oil dump valve on separator. Began flow test. Tubing-120, Casing- 450, Holding 25 psi backpressure on production unit instantaneous rate of 328 MCF. After 30 minutes, we opened the tubing valve to 100% open, Tubing-35, Casing- 450, Holding 25 psi backpressure on production unit, instantaneous rate of 265 MCF. After 1 hour, Tubing-30, Casing- 430, holding 25 psi backpressure on production unit, instantaneous rate of 236 MCF. Flow back watch arrived, took 1 ½ hour readings of Tubing-30, Casing- 430, Holding 25 psi backpressure on production unit, instantaneous rate of 236 MCF, left well flowing, returned to town.

4/15/05 At 0700 hrs FTP 25 psi. FCP 380 psi. Gas 223 MCFPD. Water 25 BPH. SI well. Attempted to blow down casing. Started flow water up casing. Waited on kill truck. Pumped 10 bbls water down casing. TOOH w/ 2-3/8" tbg. PU RBP collar locator and TIH. Checked collar @ 2172' and set RBP @ 2180'. LD 1 jt tbg. RU to swab. Made 2 swab runs and well started flowing. Flowed well overnight. At 0600 hrs 4/16 FTP 25 psi, FCP 350 psi, Gas rate 183 MCFPD. Water ~30 BPH. SWI @ 0700 hrs.

4/18/05 Pressures SITP 550 psi/SICP 575 psi. Wait on equipment. KPPS pumped down tbg to kill well. Latched onto RBP @ 2180', released RBP. TOH had to kill well twice while POH. LD tools, TIH with open ended tub with SN on bottom. Tagged top of fill @ 2230' (bottom perfs 2220'-2244'), hung tbg @ 2215'. RU to swab found fluid level @ 500'. Attempted to circulate hole pumped 55 bbls water w/o returns. Checked fluid level again with swab - 700'. KPPS mixed and pumped 50 sxs (58 cu ft) Class B cement containing 2% CaCl and 1/4#/sx celloflake. Displaced cement with 2.5 bbls water. TOH with tubing, attempted to fill casing and pressure up on cement hole would not fill. RD KPPS. Secured well and SDFN.

4/19/05 SICP 40 psi. Blew down casing, PU 3-7/8" bit, BS and TIH tagged top of cement @ 2190'. Hauled in pump and pit, filled pit with water. Attempted to circulate hole pumped total of ~30 bbls water w/o filling hole. TOH w/ bit. TIH w/ SN and 67 jts tbg to 2183'. RU swab and checked fluid level @ 700'. Waited on cementers. RU KPPS. Held safety meeting. Pumped 5 bbls water. Mixed and pumped 50 sxs (58 cu ft) Class B cement containing 2% CaCl and 1/4#/sx celloflake. Displaced cement w/ 3.0 bbls water. TOOH w/ tbg. Pumped 3 bbls water down casing. RD KPPS. Secured well and SIFN.

4/20/05 SICP 0 psi. PU 3-7/8" bit, BS and TIH. Tagged top of cement 2015'. LD 9 jts tbg. PU power swivel. Prep to drill out cement. Drilled out cement from 2015' to 2155'. Circ hole clean. Circ hole full of 2% KCl water. LD power swivel. TOOH w/ bit and tbg. RU BWWC. RIH and perforated 2145'-2149' (3 jpf). No noticeable effect. RD BWWC. Too windy to run tbg. Secured well and SDFN.

CONTINUED OTHER SIDE

- 4/21/05 SICP 0 psi. TIH with 65 joints tubing with seating nipple. RU to swab. Made 13 swab runs. Initial fluid level @ 400'. Swabbed down to 1400' then fluid level started coming up. Final fluid level 700'. Well started flowing weakly after 5 runs, stronger after last run. Flowed well directly to tank for 3 hrs, then thru separator. Well made 35 bbls water in 5-1/2 hrs. Final FTP 12 psi, FCP 165 psi. Gas rate 50 MCFPD. RD swab. TOOH w/ tbg. Secured well and SDFN.
- 4/22/05 SICP 300 psi could blow down. RU Key Pressure Pump Service, killed well with 10 bbls water. PU packer and TIH with 64 joints tubing with seating nipple one joint up. Set packer @ 2090', KPPS loaded tubing with 4 bbls 2% KCl water. Established rated of 2 BPM, 550 psi. KPPS pumped 200 gals 15% HCl containing 18 7/8" RCNBS @ 2-3 BPM, 550-1300 psi. Displaced with 14 bbls 2% KCl water had good ball action but did not ball off. RD KPPS. Released packer and ran thru perforation. LD one joint and reset packer @ 2125'. RU to swab, made 10 swab runs with initial fluid level @ 700'. Well started flowing. Tested well thru separator for 4 hours - FTP 15 psi. Average 12 BPH water rate, Gas rate 70 MCFPD. RD swab. Released packer. Pumped ~50 bbls water down tbg - well would not circulate. TOOH 9 jts and set packer @ 1830'. Secured well and SDFN.
- 4/23/05 SITP 0 psi. SICP pkr. RU Key Pressure Pump Services. Established rate with water - 3 BPM @ 300 psi. Mixed and pumped 25 sxs Class B cement containing 2% CaCl @ 3 BPM, 100 psi. Displaced with 8 bbls water @ 2.5 BPM - 150 psi, waited 15 min and pumped 2 bbls water - final pressure 200 psi. Waited 30 mins and pumped 1 bbl water - pressured to 700 psi. Waited 30 mins and pressured up on tbg - held 500 psi. SWI with 500 psi on tbg. RD KPPS. Secured well and SD for weekend. Estimated TOC 2050'.
- 4/25/05 SITP 0 psi. SICP pkr. Release packer. TIH and tagged TOC @ 2069'. PU 3-7/8" bit, BS and TIH. RU power swivel. Drilled out 2069' to 2216'. Circ hole clean. Tested casing and perfs 2145-2205' to 440 psi -held ok. Drilled out cement 2216-2230. Washed out sand 2230'-2280'. Attempted to tested casing and PC perfs - would not pressure up. Well on vacuum. LD power swivel. TOOH with bit. TIH with 69 jts open ended tbg to 2247'. RU swab and located fluid level @ 600'. RU Key Pressure Pump Service. KPPS mixed and pumped 50 sxs Class B cement containing 2% CaCl and gilsonite. Displaced with 3.7 bbls water. Well started circ during displacement. TOOH with 30 jts tbg. KPPS pumped 3.5 bbls water. Well circ up casing. SI casing and pressured tbg to 600 psi and held. SI well with 600 psi. Secured well and SDFN. (DC)
- 4/26/05 SITP 0 psi. TOOH w/ tubing. PU 3-7/8" bit, BS and TIH 56 jts to top of cement @ 1810'. Down 2 hrs for rig repair - replaced gasket on rig pump. RU power swivel and drilled out hard cement 1810' to 2247'. CO to 2280'. Circ hole clean. Tested casing to 550 psi - OK. POOH 2 jts. Secured well and SDFN. (DC)