

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)

**1850' FSL & 1850' FEL (NW SE)
SECTION 20, T25N, R9W**

5. Lease Serial No.
SF-078530

6. If Indian, Allottee or Tribe Name
2005 MAY 24 PM 10 26

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

670 FARMINGTON III

8. Well Name and No.

FEDERAL 20-1R

9. API Well No.

30-045-25012-2

10. Field and Pool, or Exploratory Area

WHITE WASH MANCOS DAKOTA

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 COMMINGLE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	COMPLETION
	<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 recomplate 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 recompletion 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.)

2/21/05 MIRU Hurricane Rig No. 6. Spot pump/plt. Spot flowback tank and flowlines. Open well to sales line and cycle piston to surface. Hauled in and spot air package. SDON.

2/22/05 Blow well down to flowback tank. Pumped 5 bbls of produced water down tubing to kill well. ND BOP & NU WH. Unseat donut, release packer. TOH with tubing string (200 jts of 2-3/8", Model R packer, SN and tail joint). PU 3-7/8" bit and bit sub, TIH on 2-3/8" tubing. Break circulation with air/mist and drill out CICR @ 6429'. Drilled thru CICR. Pumped soap sweeps to clean up well. Pull up to approx. 6300'. SDON.

2/23/05 Blow well down to flowback tank. TIH break circulation with air/mist. Continue drilling out and pushing CICR to 6545' (PBTD). Pump soap sweeps to clean up well. Cut air and TOH. LD bit and bit sub. PU 4-1/2" packer and TIH, set packer @ 5430' KB. Shut casing in. RU flowline from tubing to sales line. Open well to sales, will check in AM. SDON.

2/24/05 Found well with 5 psi on tubing and 200 psi on casing. Well did not flow overnight (according to meter). RUTS. RIH tag FL 500' above SN. Made 11 swab run, after each run FL stayed @ 500'. After 4th run pressure increased to 35 psi, recovering approx. 1 bbl of fluid with each run. After 8th run pressure was up to 50 psi, FL still at 500' above SN after final run. Recovered a total of 11 bbls of fluid. RD swab equipment. Release packer and TOH. SDON.

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

STEVEN S. DUNN

Title **DRILLING & PRODUCTION MANAGER**

ACCEPTED FOR RECORD

Signature

Date

3/23/05

MAY 23 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

FARMINGTON FIELD OFFICE

BY

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)

NMOCD

- 2/25/05 Found well with 200 psi, bled off pressure to flowback tank. TIH with CIBP and packer, set CIBP @ 6036" KB. Pull up 1 stand and set packer. Pressure test CIBP to 1000 psi - held OK. Circulate hole with produced water. Shut pipe rams and test casing to 1650 psi - held OK for 30 mins. Release pressure and release packer. RUTS. Swab FL down to 5500' in 11 runs. SDON.
- 2/26/05 Found well with 0 psi. RIH with swab, hit FL @ 5500' (no change in FL overnight). Swab well down to SN, casing OK (pressure test OK and no fluid entry). RD swabbing equipment. SD for weekend.
- 2/28/05 Found well with 0 psi. Attempted to TOH, discovered that packer was stuck/set. Determined that packer was set before swab test started and backside still had fluid. Pumped 20 bbls of water down tubing. Once packer was equalized it pull free. Pull 25 stands and RU air package. Unload hole with air from 4375'. TIH to 5975' (-64" above CIBP). Unload hole with air and dry up well. RUTS. Made 4 runs (1 each hour). IFL 30' above SN. After each swab run FL remained the same, no fluid entry. SDON. Note. M&R hauled in frac tanks and started filling with 2% KCl water.
- 3/01/05 Found well with 0 psi. RIH with swab to SN, no fluid. RD swab equipment and TOH. LD packer. SDON
- 3/02/05 Load hole with 2% KCl. RU Key Pressure Pumping Services. Pressure test casing to 2650 psi - held OK. RU Black Warrior WL. RIH with GR/CCL, ran log from 6036'. 4672". RIH with 3-1/8" casing gun and perforate the Gallup formation 1 SPF @ the following depths: 5901', 5899', 5703', 5655', 39', 04', 5591', 76', 74', 64', 60', 52', 43', 09', 5495', 93', 73', 43', 07', 05', 03', 5390' & 5383' (Total of 23 holes - EHD 0.34"). RD BWWC. RIH with 4 1/2" packer set @ 5130'. RU KPPS. Pump 5 bbls of water ahead of 300 gals of 15% HCl acid. Ball off Gallup formation with 37 each 1.3 S.G. ball sealers. Good ball action and complete to 3000 psi. Surge galls off and finish displacing acid into perfs. Release packer and RU air lines. Unload hole with air and blow hole dry. TIH to 5920' with packer and knock balls off perfs. TOH, LD packer. Frac in AM. SDON. Note: Frac tank loaded with 2% KCl and frac sand on location.
- 3/03/05 RU Stinger wellhead isolation tool and NU to BOP. RU KPPS, held safety meeting while finishing heating tanks. Pressure test pumps and lines to 4000#. Frac well with 100,000# of 20/40 Brady in 20# x-link gel. Pumped sand in 1, 2, 3 & 4 ppg stages. ISIP 1950 psi, 5 min 960 psi, 10 min 850 psi, 15 min 830 psi. Shut well in and RD Isolation tool and KPPS. AIR 34.8 BPM, MIR 37.5 BPM, ATP 2325 psi, MTP 2650 psi. Job complete at 11:45 hrs 3/3/05. Total fluid pumped 1268 bbls. RU line to flowback tank. Open well thru 1/4" choke at 14:00 hrs 3/3/05. IP was 760 psi. Well flowing back broken gel. Turn over to nightwatch @ 17:30 hrs.
- 3/04/05 Night watch shut well in after it quit flowing around 00:00 hrs. Found well in AM with 0 psi. TIH with 3-7/8" bit, bit sub and 2-3/8" tubing. RU air package/lines and unload hole @ 4287', continue TIH. Tag sand @ 5512'. CO with air down to 5771'. At times well would make heavy sand also bringing back large amount of water. Recovered ~480 bbls since starting flow back. Blow well @ 5771' and pump soap sweeps to clean up. Pull up to 5125'. Shut well in and SD for weekend.
- 3/07/05 Found well with 100 psi. Bled off pressure to flow back tank. RU air/lines and attempt to unload hole. Unable to unload hole, too much water. Pull up to 4613' and unload hole with air. TIH and tag up on sand at 5771' (no fill over the weekend). Water trucks unable to keep up with water coming from well to flow back tank. SD and wait on water trucks. Continue to clean out down to CIBP at 6036'. Blow hole and pump soap sweeps to clean up well. SD air and pull up to 5125'. SWL, secure location and SDON. Will haul in 400 bbl flow back tank and switch out w/ 200 bbl tank in morning.

- 3/08/05 Change out flow back tanks (sent MOG tank to town to be cleaned and replaced with 400 bbl flow back tank). Found well with 100 psi. Bleed off pressure to flow back tank. TIH to 6036' - no fill overnight. PU power swivel and RU air/lines. Break circulation with air and drill out CIBP. Let head blow off Dakota and continue TIH and chase plug to bottom. Blow hole and pump soap sweeps from PBTD (6545'). SD air and pull up to 5125'. SWI, secure location and SDON.
- 3/09/05 TIH to 6509' (~36' of fill overnight). RU air/lines and break circulation with air, CO to PBTD @ 6545'. Pump soap sweeps to clean up well. SD air and pull up to 5900', SD for 1 hr. TIH found 10' of fill, CO with air and blow hole. Pull up to 5900' and SD for 1 hr. TIH to PBTD no fill. TOH and lay down bit and bit sub. TIH with cut off tail joint with hole in collar, seating nipple and 201 joints of 2-3/8" tubing. Running out of daylight. Will install donut and land tubing in morning. SWI, secure location and SDON.
- 3/10/05 Install donut and land production tubing as follows: cut off tail joint (with hole in up-set), seating nipple, 201 joints (6457.62') of 2-3/8", 4.7#, EUE tubing. Bottom of tubing at 6470.62' KB, seating nipple at 6454.52' (see pipe tally). ND BOP and NU WH. SWI. RD & MOL. Release rig to Thompson E&P for 1 well. Note: will run rod string as soon as rods available (rods should be shipped next Tuesday 3/15/05).
- 3/21/05 Prep to RU, too windy to raise derrick. SDON.
- 3/22/05 SITP 0 psi, SICP 450 psi. Blew down casing, removed tree. Installed pumping tee. Prep to run pump and rods. PU and RIH with 2" x 1-1/4" x 12' RHAC pump, 40 x 3/4" used plain rods, 129 x 5/8" used plain rods, 16 x 3/4" plain rods and 71 x 3/4" used guided rods.. Installed stuffing box, polished rod and liner. Seated pump and filled hole with 16 bbls produced water. Hot oiler tested tubing to 1000 psi without loss. Spaced out pump. RD rig.