

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0187
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)

835' FNL & 1235' FWL (NW NW)
Section 20, T26N, R11W, NMPM

5. Lease Serial No.
SF-078899

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
BLACKROCK D No. 1R

9. API Well No.
30-045-32217

10. Field and Pool, or Exploratory Area
GALLEGOS GALLUP/BASIN DK

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 Spud
	<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.)

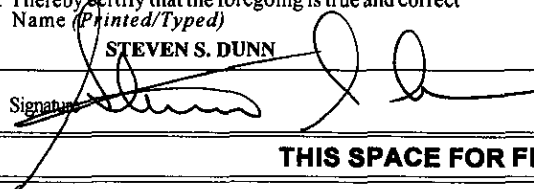
7/9-10/05 MIRU D&J #2 on 7/9/05. Mix spud mud and drill rat and mouse hole. Spud 12-1/4" surface hole at 16:30 hrs 7/9/05 w/ bit #1 (12-1/4", HTC, J13). TD surface at 380'. Circulate (drop survey) and TOH. Run 8 jts (354.87') of 8-5/8", 24#, J-55, ST&C casing, land casing at 368' KB. RU BJ Services & held safety meeting. Precede cement with 20 bbls of fresh water. Cement with 298 sxs (382 cu.ft) of Type III with 1/4#/sx of celloflake and 3% CaCl2. Good circulation throughout cement job. PD at 00:30 hrs. 7/10/05. Circulate out 15 bbls of good cement to surface. RD cementers. WOC. Back off landing joint. Install casing head. NU BOP, choke valve and related surface equipment at report time.

7/11/05 Pressure test BOPE, surface casing. PU HTX 7-7/8" bit, RIH, drill out surface cement. Drill ahead to 2016'.

7/12/05 Drilling at 3869'.

CONTINUED OTHER SIDE

14. I hereby certify that the foregoing is true and correct


Name (Printed/Typed) STEVEN S. DUNN	Title DRLG & PRODUCTION MANAGER
Signature 	Date 07/18/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date JUL 21 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
BY 

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

11/10/05

SA
EVALUATION UNIT

11/10/05

7/12/05 Drilling at 3869'. Bit #2 - HTC GTO9C, start mud up at 3730'. Hrs on bit - 35.5 hrs.

7/13/05 Drill to 4099' with bit #2 (7-7/8", HTC, GT-O9C). Circulate and run survey. Trip for bit #2. TIH with bit #3 (HTC, HC605Z, 5 blade PDC bit), had 10' of fill on bottom. Wash to bottom and continue drilling. Drilling at 4754' at report time (ROP ~ 55 fph). Plan to pre-treat mud with 2%-5% LCM before penetrating Gallup formation.

Surveys: 3528' @ 1°
4059' @ 3/4°
4559' @ 3/4°

7/14/05 Drilling ahead with bit #3 (HTC, HC605Z, 5 blade PDC bit). Note: pre-treated mud w/ 5% LCM before penetrating Gallup formation, have not lost any fluid to this point. Drilling at 5881' at report time (ROP ~ 60 fph). Plan to TFB #3 at Dakota top (~ 5942).

Surveys: 5059' misfire
5216' @ 1°
5715' @ 1-1/2°

7/15/05 Drill to 5942' (top of Dakota) with bit #3 (HTC, HC605Z, 5 blade PDC bit). Circulate and condition mud. TOH, SD to change out oil on draw works and adjust brakes. TIH with bit #4 (7-7/8", HTC, H-35). Hit bridges at 2752' and 3935', had 80' of fill. Wash to bottom and continue drilling. Drilling at 6099' at report time (ROP varied from 10 fph to 30 fph thru Dakota interval). Note: lost ~30 bbls of fluid while drilling Dakota depth??). Increased LCM to ~10%, have not lost any additional fluid.

7/16/05 TD well with bit #4 (7-7/8", HTC, H-35) at 6162' at 10:00 hrs 7/15/05. Circulate and condition mud. Pull short trip (10 stands) - no drag, no fill. Circulate hole and wait for Schlumberger. TOH for logs. Continue to wait for Schlumberger. Waited for a total of 6 hrs. RU Schlumberger, RIH w/ GR/IND/DEN/NEUT logs. Loggers TD 6158'. RD loggers. TIH.

Survey: 6122' @ 2°

7/17/05 Lay down drill pipe, drill collars. Change out rams, RU casing crew. Hold safety meeting. Run 159 jts (6148.50') of 4-1/2", 11-6#, J-55, LT&C casing. Wash last 2 jts to bottom. Bottom of casing landed at 6160' KB. Float collar at 6139' KB, Marker joint at 5725' KB, DV Tool at 4121' KB. Circulate casing and wait for BJ. RU BJ Services. Hold safety meeting. Precede cement w/ 10 bbls of water, 10 bbls of "mud clean", and 10 bbls of water. Mix and pump 1st stage lead cement: 250 sxs (503 cu.ft.) of Premium Lite w/ 2% KCl, 0.2% CD-32, .5% FL-52, 1/2#/sx CF & 2% Phenoseal. Tail in with 150 sxs (231 cu.ft.) of Type III with 0.3% CD-32, .2% FL-52, 5% A-10, 1/4#/sx CF & 2% Phenoseal. Drop plug and displace cement w/ 40 bbls of water and 55.2 bbls of mud. Plug down at 04:15 hrs. Bump plug and pressure up to 1500 psi - check float, held OK. Drop dart and wait 20 mins. Pressure up casing to 800 psi and open DV tool. Switch over to rig pump and circulate hole w/ mud. Circulated out 38 bbls of cement from 1st stage. Circulating at report time. (JT)

7/16-17/05 Finish circulating hole for 2nd stage. Precede cement w/ 20 bbls of water. Mix and pump 2nd stage lead cement: 540 sxs (1404 cu.ft.) of Type III w/ 1/4#/sx CF, 8% gel & 2% Phenoseal. Tail in with 100 sxs (139 cu.ft.) of Type III. Drop plug and displace cement w/ 63.9 bbls of water. Plug down at 09:45 hrs 7/17/05. Bump plug and pressure up to 2500 psi to close DV tool. Check float - held OK. RD BJ Services. ND BOP. Set slips w/ 80K tension on casing. Cut off casing. Hang back BOP. RD & MOL. Released rig from location at 12:00 hrs 7/17/05. WOCT. (JT)