| Submit 3 Copies To Appropriate District Office  | State of New Mexico                            |                 | Form C-103   |
|---|--|-----------------|--|
| District I  | Energy, Minerals and Natural Reso              | ources          | May 27, 2004                                       |
| 1625 N. French Dr., Hobbs, NM 88240   |  | مما             | ELL API NO.  |
| <u>District II</u><br>1301 W. Grand Ave., Artesia, NM 88210   | OIL CONSERVATION DEVIS                         |                 | 0-025-26198  |
| District III  | 1220 South St. Francis Dr.                     |                 | Indicate Type of Lease                             |
| 1000 Rio Brazos Rd., Aztec, NM 87410  | Santa Fe, NM 87505 JU                          |                 | STATE FEE  |
| <u>District IV</u><br>1220 S. St. Francis Dr., Santa Fe, NM   | Santa 1 6, 14141 67505 JU                      | 6. July 6.      | State Oil & Gas Lease No.                          |
| 87505   |  | OGCC            |  |
|   | ICES AND REPORTS ON WELLS                      | 1.              | Lease Name or Unit Agreement Name                  |
| (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A   |  |                 |  |
| DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)   |  |                 | TATE 23 COM  |
| 1. Type of Well: Oil Well Gas Well Other  |  |                 | Well Number  |
|   |  |                 | 001  |
| 2. Name of Operator   |  |                 | OGRID Number                                       |
| MERRION OIL & GAS CORPORATION   |  |                 | 014634   |
| 3. Address of Operator  |  |                 | ). Pool name or Wildcat                            |
| 610 REILLY AVENUE, FARMINGTON, NM 87401   |  |                 | ANTELOPE RIDGE (BONE SPRINGS)                      |
| 4. Well Location  |  |                 |  |
| Unit Letter N:  | 660 feet from the South line a                 | and1980         | feet from theWest line                             |
| Section 23 Township 23S Range 34E NMPM Lea County   |  |                 |  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)  |  |                 |  |
| 3393.6 GR   |  |                 |  |
| Pit or Below-grade Tank Application or Closure  |  |                 |  |
| Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water  |  |                 |  |
| Pit Liner Thickness: mil Below-Grade Tank: Volumebbls; Construction Material  |  |                 |  |
|   |  |                 |  |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data  |  |                 |  |
| NOTICE OF INTENTION TO:   |  |                 |  |
| NOTICE OF INTENTION TO:  SUBSEQUENT REPORT OF:  |  |                 |  |
| -   |  |                 | ALTERING CASING                                    |
| TEMPORARILY ABANDON ☐ CHANGE PLANS ☐ COMMENCE DRILLING OPNS.☐ OP AND A PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐ CASING/CEMENT JOB ☐ OPEN ☐ OPE |  |                 | NG OPNS. [1] OP AND APAS, [1]                      |
| PULL OR ALTER CASING   MULTIPLE COMPL   CASING/CEMENT JOB   |  |                 |  |
| OTHER:  |  | D: Day Add      |  |
| OTHER: Pay Add  13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates; highliding estimated date  |  |                 |  |
| of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion   |  |                 |  |
| or recompletion   |  |                 |  |
|   |  |                 |  |
| 8/25/03 MIRU. ND trees, NU BOP. Release packer. POH. SDON.  |  |                 |  |
| \$1.50 <u>7.72.85.73</u>  |  |                 |  |
| 8/26/03 RU Schlumberger, unable to log after 3 attempts. RD Schlumberger. Run 51 stands of 2-7/8" tubing in hole. LD 102 joints.  |  |                 |  |
|   |  |                 |  |
| 8/27/03 RU Schlumberger. Test casing to 1500 psi - OK. Dung. Perforate Bone Springs 9657'-70' (4 jspf). RD Schlumberger.  |  |                 |  |
| 230 bbis 2% KCI. Test cas   | ing to 1500 psi - Okas Dung Control Pe         | rtorate Bone Sp | orings 9657-70 (4 jspt). RD Schlumberger.          |
| 8/28/03 PU 7-5/8" lokset packer w   | ith an-off tool 181" Finishly standard SNI Dan | 302 its of 2-7  | /8" NL80 tubing set nacker @ 9590' ND              |
| 8/28/03 PU 7-5/8" lokset packer with on-off tool, 1.81" F nipple, standard SN. Ran 302 jts of 2-7/8", N-80 tubing, set packer @ 9590'. ND BOP, NU tree. RU to swab. Swabbed 53 bbls water, swabbed dry, no show.  |  |                 |  |
| 501,710 11cc. No 10 3was  | . Swabboa 55 bbis water, swabboa ary, no snot  | •••             |  |
| ***CONTINUED OTHER SIDE***  |  |                 |  |
|   |  |                 |  |
|   |  |                 |  |
| I hereby certify that the information   | above is true and complete to the best of my   | knowledge an    | d belief. I further certify that any pit or below- |
| grade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan [].  |  |                 |  |
| $\mathcal{V}$   |  |                 |  |
| SIGNATURE Drlg & Prod Manager DATE 6/29/20065   |  |                 |  |
| T OTEVENIC DIDNI E 11 1 0 1 1 m 1 1 27 (for) 224 for  |  |                 |  |
| Type or print name For State Use Only  STEVEN S. DUNN  E-mail address: sdunn@merrion.bz  Telephone No. (505) 324-5300  JAN 3 1 2007   |  |                 |  |
| For State Use Only  OC FIELD DEPOSITION  JAN 3 1 2007   |  |                 |  |
| TIELD REPRESENTATIVE II/STAFF MANACED   |  |                 |  |
| Conditions of Approval (if any)   |  |                 |  |
| Conditions of Approval (if any):  |  |                 |  |
| Conditions of Approval (if any):  2A Antelope Ridge Atoka   |  |                 |  |
|   | , ~  | -               | • · · · · · · · · · · · · · · · · · · ·            |

- 8/30/03 SITP 70 psi. Made 1 run 300' fluid (approx. 70% oil). Waited 2 hours. Made 2<sup>nd</sup> run, recover little fluid. Waited 2 more hours. Made 3<sup>rd</sup> run, recovered little fluid.
- 9/2/03 SITP 200 psi. Made 1 swab run 70% oil, 1300' fluid in hole. RU BU. Backside full. Pressure to 1500 psi, slow bleed off (1000 psi in 3 mins.) Acidize well with 5000 gals 15% HCl-NE-FE with 70 balls. Treat @ 4000 psi, 6 BPM. Minimal ball action. ISIP 2200 psi, 15 mins 1945 psi. Leave shut in 1 hr. Bled down. Swab 7 hrs, recover 59 bbls water. Swabbed dry.
- 9/3/03 SITP 150 psi. IFL 5000' from surface. Fluid scattered. 1st run 10% oil. Swabbed 4 hrs, recovered 12 bbls. Well dry. Made 1 swab run/hour for 5 hrs. Recovered 6 more bbls, 10-15% oil. (102 bbls load still to recover).
- 9/4/03 SITP 150 psi. IFL @ 8100'. 1st run 10-15% oil. Swabbed dry in 2 runs. Made 1 swab run/hour for 5 hrs. 400' influx/hour except last hour dry. Recovered 5 bbls for day 10-15% oil. Shut well in. RDMOL. Evaluating well for fracture treatment.
- 9/11/03 250 psig, FL @ 8200'. Swab 2 bbls 3-5% oil.
- 9/18/03 RU WH saver and BJ. Load backside. Frac well down tubing. Sanded out with 8500# of 20/40 econoprop in well and approx. 5000# prop in tubing. In process of bringing down rate and shutting down, tbg/csg communicated at ± 7500 psi at full shut down,1800 psi on tubing and casing, 15 mins 1500 psi. RD BJ and wellhead saver. Leave well SI for 2 hrs. Start flow back with 900 psi on tubing and 1300 on casing. In 1 hour flowing at 100 psi and casing slight vac. Flow back 296 bbls fluid in 5 hrs. Sand at first then just broke gel. Well nearly died. MIRU pulling unit late in day. Leave well open to tank overnight. Approx. 151 bbls load to recover. Note: During frac job held 1000-1500 psi on casing, taking only slight fluid.
- 9/19/03 Well dead. Flow 3 bbls overnight. RU sinker bars. Tubing clear through packer. ND tree, NU BOP. Attempt to release on/off tool. Unable to release tubing stuck. RU Wireline, found tubing 100% stuck @ ± 9500′. POH, PU chemical cutter. RIH cut tubing @ 9470′. RD WL. POH with tbg, clean cut. No hole in tbg above cut. Left 2-1/2 jts in hole. Top of cut tbg strap 9503′.
- 9/20/03 PU 6 jts of 5-1/2" wash pipe. TIH, tag sand @ 9567' circulate out. Tag hard @ 9572' (top of packer should be 9582'). Circulate hole again. Apparently packer moved uphole during screen out. Tally out of hole, showed no change.
- 9/22/03 PU 5-1/2" OS and grapple for 2-7/8" tbg. TIH, tag fish @ 9503'. Latched solid, worked to release packer, came loose with 40,000# over pull. Went down 20' below original location pushing with approx. 15,000#. POH, recovered tbg, on/off tool and packer (did not recover 2' tubing), tubing was bent and "pushed shut", 4.75" OD on bottom.
- 9/23/03 PU 5-1/2" cutrite shoe and 6 each 3-1/2" DCs. TIH tag fish. Mill 2', fish started going downhole. Move fish easily to 9735'. Circ hole clean. POH.
- 9/24/03 PU 5-/12" packer. TIH with 302 jts, set packer @ 9590'. ND BOP, NU tree. RUTS. Swab well down to 4800'. Swab line parted, left 500' line in well. NU BOP, POH. LD fish.
- 9/25/03 PU 5-1/2" packer, TIH set @ 9590'. ND BOP, NU tree. Change out swab line. Swab 4-1/2 hrs, FL stable @ 4000'. Last run 90% oil, steady gas blow.
- 9/28/03 SITP 600 psi. Bled down, RIH with swab. IFL 4000'. 1st run 90% oil. Swab to seating nipple in 4 hrs. Fluid scattered. Recovered 21 bbls approx. 50% oil, wait 1 hour. RIH, 300' fluid in hole. Recovered little fluid. Shut in. RDMOL.