

RECEIVE

AUG 10 2004

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DIV. OF OIL, GAS & MINING

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-064903	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator MERRION OIL & GAS CORPORATION		7. If Unit or CA Agreement, Name and No. N/A	
3a. Address 610 REILLY AVE. FARMINGTON, NM 87401		8. Lease Name and Well No. CROWS FOOT 1-R	
3b. Phone No. (include area code) (505) 327-9801		9. API Well No. 43-015-30613	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2165' FNL & 865' FEL 488400X 39.18422 At proposed prod. zone SAME SENE 4337020Y -111.13431		10. Field and Pool, or Exploratory BUZZARD BENCH 137	
14. Distance in miles and direction from nearest town or post office* 6 AIR MILES SW OF CASTLE DALE		11. Sec., T., R., M., or Blk. and Survey or Area 9-19s-7e SLM	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 865'	16. No. of Acres in lease 2,100.67	17. Spacing Unit dedicated to this well 160 ACRES (NE4)	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50' & 2604'	19. Proposed Depth 3,520'	20. BLM/BIA Bond No. on file NM-0883	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,460' GL	22. Approximate date work will start* UPON APPROVAL	23. Estimated duration 9 DAYS	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

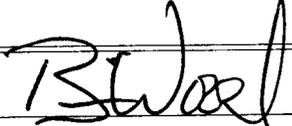
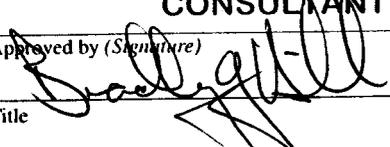
- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

Comments

No new construction. Well is staked on Merrion's Crows Foot 1, a TA well which will be P&A after 1-R hits TD.

Request exception due to geology and topography.
The well is staked at 2165 FNL & 865 FEL on a BLM lease. It is 5' too far west.
A well could be staked at 2165 FNL & 860 FEL.
However, Merrion wants to maximize the distance between the original well bore (50' east) which was lost before TD.
Maximizing the distance is difficult on the very narrow badland ridge.
Merrion is requesting permission to drill at 2165 FNL & 865 FEL 9-19s-7e.
This will ultimately be the only well existing or planned for this quarter section.
Closest other well is Merrion's Federal 16-9 which is over 2,604' south.
BLM is the lessor of all 8 adjacent quarter sections.
Merrion is the lessee of all land within a minimum 1775' radius and 6 of the 8 adjacent quarter sections.

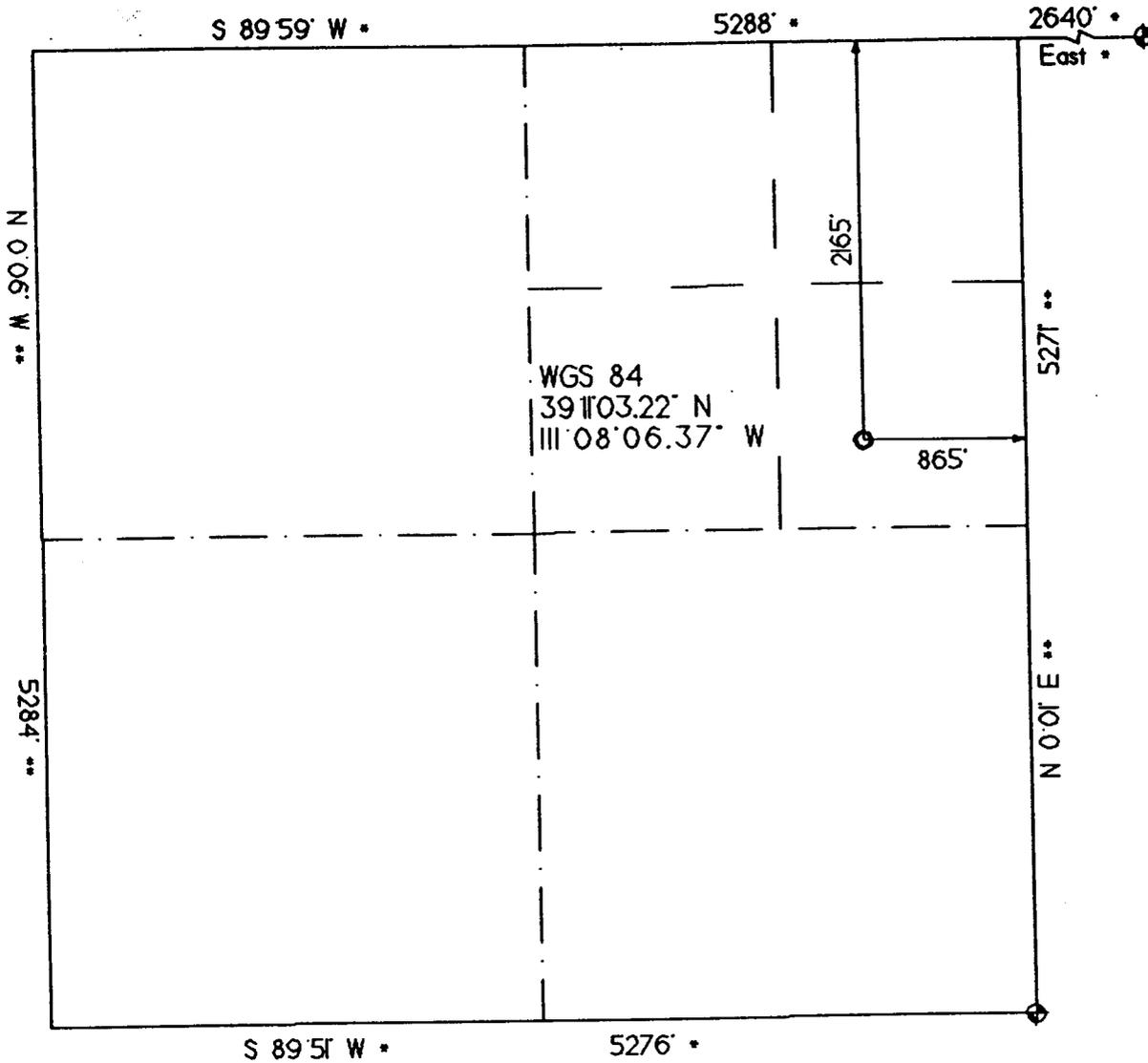
cc: BLM, County, Dunn, UDOGM

25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 8-7-04
Title CONSULTANT	PHONE: 505 466-8120 FAX: 505 466-9682	
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 08-17-04
Title ENVIRONMENTAL SCIENTIST III	FEDERAL APPROVAL ACTION IS NECESSARY	

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

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.

Well Location Plat



NORTH

 0' 1000'
 1" = 1000'
 brass cap
 * from BLM/GLO plat of record
 ** calculated

Well Location Description

MERRION OIL & GAS CORPORATION
 Crows Foot # 1 - R
 2165' FNL & 865' FEL
 Section 9, T.19 S., R.7 E., SLM
 Emery County, UT
 6460' grd. el. (from GPS)



04/28/04

Gerald G. Huddleston, LS

The above is true and correct to my knowledge and belief.

Merrion Oil & Gas Corporation
 Crows Foot 1-R
 2165' FNL & 865' FEL
 Sec. 9, T. 19 S., R. 7 E.
 Emery County, Utah

Drilling Program

<u>1. Formation Name</u>	<u>Depth from GL</u>	<u>Depth from RKB</u>	<u>Elevation</u>
Mancos Shale	0'	12'	+6,460'
Emery Sandstone	830'	842'	+5,630'
Blue Gate Shale	1,422'	1,434'	+5,038'
Ferron Sandstone	2,972'	2,984'	+3,488'
Total Depth	3,520'	3,532'	+2,940'

(All depths are based on an ungraded ground level of 6,005')

2. NOTABLE ZONES

Ferron is the goal. No other oil or gas zones are expected. Ferron coal zones are the only anticipated water zones.

3. PRESSURE CONTROL (Also see "5." on PAGE 2)

A 2,000 psi double ram BOP with 2,000 psi choke manifold will be used from bottom of surface casing to TD. (A typical 2,000 psi BOP is on Page 3. Actual model will not be known until the bid is let.) After surface and intermediate casing are each cemented for 8 hours, will nipple up BOP and test each to \approx 1,500 psi for 15 minutes each. Tests will be recorded in the driller's log. BOPs will be inspected and operated daily.

4. CASING & CEMENTING

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>\approx Setting Dept</u>
12-1/4"	8-5/8"	24	J-55	L T & C	New	250'
7-7/8"	5-1/2"	15.5	J-55	L T & C	New	3,520'

Merrion Oil & Gas Corporation
Crows Foot 1-R
2165' FNL & 865' FEL
Sec. 9, T. 19 S., R. 7 E.
Emery County, Utah

PAGE 2

Will place centralizer on each joint of surface casing. Surface casing will be circulated to surface with 245 sacks Class B or Class H + 3% CaCl₂. Weight = 15.6 pounds per gallon. Yield = 1.18 cubic feet per sack. Excess: >100%. W. O. C. = 10 hours.

Will install float collar with float on top of the shoe joint of the production casing. Will cement production casing to surface. Pump ≈20 barrels gel water followed by ≈10 barrels spacer water followed by ≈230 sacks premium plus with additives (yield = 2.63 cubic feet per sack & weight = 12 pounds per gallon). Lead additives will include 8% bentonite (light weight additive), 10% Cal-seal 60 (accelerator), and 1/4 pound per sack cellophane. Tail with ≈100 sacks premium plus with additives (yield = 1.58 cubic feet per sack & weight = 14.2 pounds per gallon). Tail additives will include 1% CaCl₂ (accelerator), 10% Cal-seal 60 (accelerator), and 1/4 pound per sack cellophane. Volumes calculated at 25% excess. Exact volume to be determined by caliper log.

All slurries will include lost circulation additives. Cement names are Halliburton trade names. If unavailable, then an equivalent cement or additive will be used.

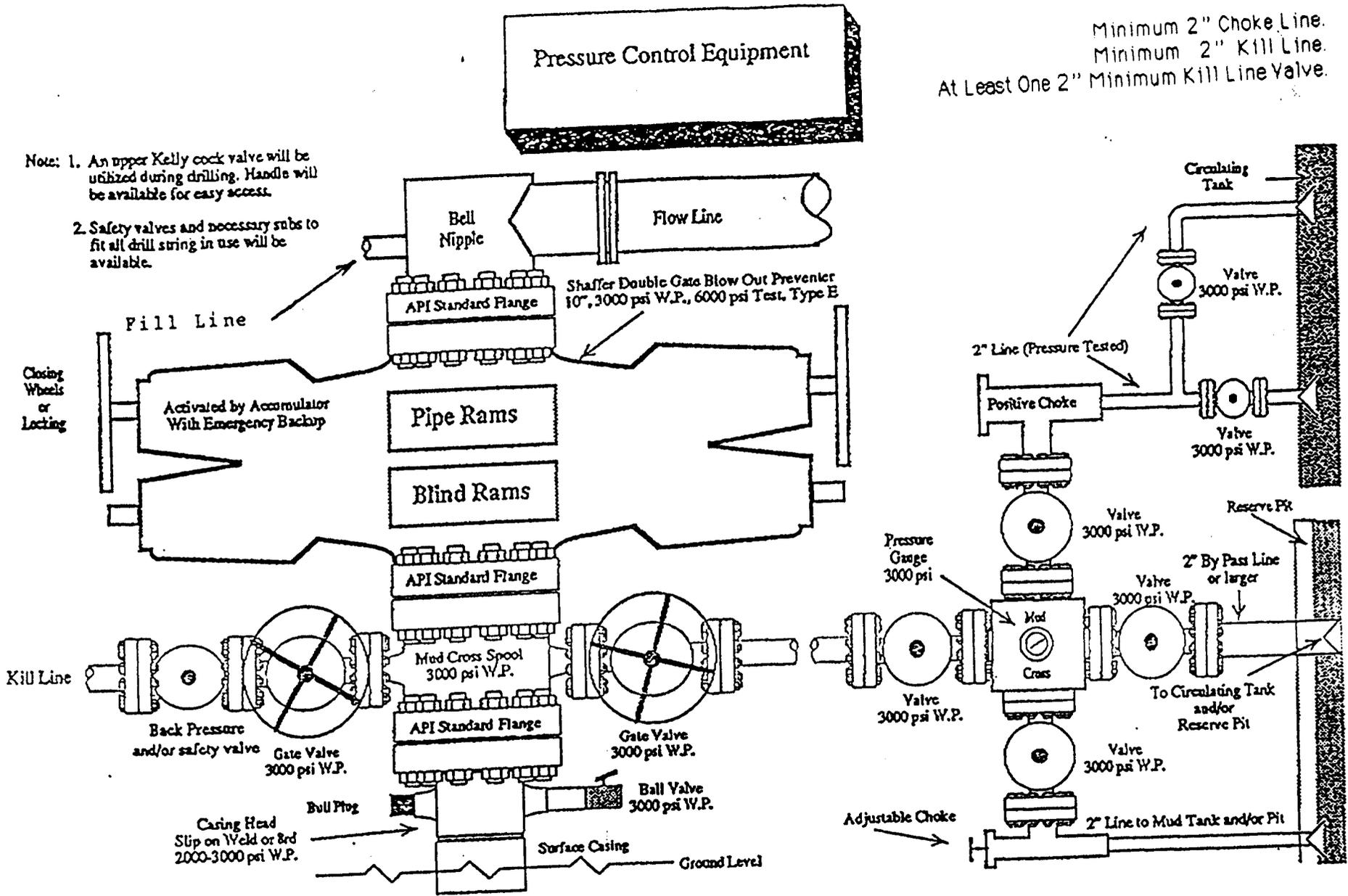
5. MUD PROGRAM

Will drill surface hole with fresh water gel. Will air drill production hole with 2,400 scfm. Will use air mist if needed. Lost circulation material will be on location.

Minimum 2" Choke Line.
 Minimum 2" Kill Line.
 At Least One 2" Minimum Kill Line Valve.

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

Merrion Oil & Gas Corporation
Crows Foot 1-R
2165' FNL & 865' FEL
Sec. 9, T. 19 S., R. 7 E.
Emery County, Utah

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6. DATA GATHERING

Starting with production hole, will run SS surveys with azimuth every 500'. If build rate is $\geq 1^\circ$ per 100', then SS surveys will be run at 100' intervals. Will also run SS survey at TD.

No cores or drill stem tests are planned at this time. Will run caliper, Gamma Ray/Collar log, and Compensated Neutron log.

7. DOWN HOLE CONDITIONS

Maximum anticipated bottom hole pressure is $\approx 1,000$ psi. No hydrogen sulfide, abnormal pressures, nor abnormal temperatures are expected.

8. MISCELLANEOUS

Projected spud date is upon approval. It will take ≈ 5 days to drill the well and ≈ 4 days to complete the well.

Will complete well by moving in frac tanks. Tanks will be filled with 2% KCl. Will install frac valve and pressure test casing to $\approx 4,000$ psi. Will run Gamma Ray/Collar log (and Compensated Neutron log if no open hole logs) and then perforate. Will stimulate and allow well to flow. Run 2-3/8" tubing with notched collar on bottom and seating nipple on top of the bottom joint. Clean hole with air or nitrogen.

Merrion Oil & Gas Corporation
Crows Foot 1-R
2165' FNL & 865' FEL
Sec. 9, T. 19 S., R. 7 E.
Emery County, Utah

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Surface Use Plan

1. EXISTING ROADS & DIRECTIONS (See PAGES 9 & 10)

From the equivalent of Mile Post 33.1 on U-10 south of Castle Dale, Utah ...
Go West 2.4 miles on dirt County Road 604 to a dam
Bear right at the top of the dam and go Northwest 2.4 miles onto the pad

2. ROAD TO BE BUILT OR UPGRADED

No new road is needed. No upgrade is needed for the existing road.

3. EXISTING WELLS (See PAGE 10)

There are three gas wells within a one mile radius. One of the three is Merrion's Crows Foot #1. It will be plugged and abandoned once the 1-R is successful. (The #1 was lost before TD was reached.) There are no existing oil, water, injection, or disposal wells within a mile.

4. PROPOSED PRODUCTION FACILITIES (See PAGES 10 & 13)

A 2 phase separator, 100 barrel water tank, meter run, and pump will be installed on the pad. All surface equipment will be painted a flat dark olive green color. A 3" polyethylene (wall thickness ≥ 0.318 ") low pressure gas pipeline (dotted line on PAGE 10) will parallel the east side of the existing road (dashed line on PAGE 10) for 3,413.14' to Merrion's existing 16-9 well. The line will be laid on the surface to minimize disturbance.

Merrion Oil & Gas Corporation
Crows Foot 1-R
2165' FNL & 865' FEL
Sec. 9, T. 19 S., R. 7 E.
Emery County, Utah

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5. WATER SUPPLY

Water will be trucked from Neilson Construction Company east of Huntington in 19-17s-9e (water right #93-300).

6. CONSTRUCTION MATERIALS & METHODS

No construction is needed. Merrion will use its existing pad and pit.

7. WASTE DISPOSAL

The reserve pit will be fenced 4' high on 3 sides with 4 strands of barbed wire or woven wire topped with barbed wire. The fourth side will be fenced once the rig moves off hole. The fence will be kept in good repair while the pit dries. No fluids will be discharged in the flare pit.

All trash will be placed in a trash cage. When full, it will be hauled to a state approved landfill. There will be no trash burning or disposal of trash in the reserve pit. Chemical toilets will be used for human waste. Their contents will be disposed of in state approved facilities.

No oil will be allowed on the reserve pit. Any oil which accumulates on the pit will be pumped or skimmed off and hauled to a state approved recycle facility. Once dry, the reserve pit contents will be buried in place. The pit will be back filled sufficiently deep so that no liner is exposed.

8. ANCILLARY FACILITIES

There will be no airstrip or formal camp. Camper trailers will be on site for the company man, roughnecks, mud logger, tool pusher, etc.

Merrion Oil & Gas Corporation
Crows Foot 1-R
2165' FNL & 865' FEL
Sec. 9, T. 19 S., R. 7 E.
Emery County, Utah

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9. WELL SITE LAYOUT

See PAGES 11 and 12 for depictions of the well pad, cross sections, cut and fill diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, and rig orientation.

10. RECLAMATION

After completing drilling, the well site and immediate area will be cleared of all debris and material not needed for production.

Reclamation will start when the reserve pit is dry. At least 2' of cover will be placed on the reserve pit. All areas not needed for production will be back filled, contoured to match natural contours, and reserved soil evenly spread. If the well is a producer, then enough soil will be kept aside to reclaim the rest of the pad. Disturbed areas will be ripped, harrowed, or scarified before seeding. All reclaimed areas will be broadcast seeded in late fall or winter with seed mix specified by BLM. Seeded areas will be left rough and lightly harrowed or drug with a chain after seeding.

11. SURFACE OWNER

All construction is on lease and on BLM.

12. OTHER INFORMATION

Closest hospital is an hour drive north in Price. The Castleview Hospital is at 300 North Hospital Drive. Phone number is (435) 637-4800.

13. REPRESENTATION

Merrion Oil & Gas Corporation
Crows Foot 1-R
2165' FNL & 865' FEL
Sec. 9, T. 19 S., R. 7 E.
Emery County, Utah

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Anyone having questions concerning the APD should contact:

Brian Wood
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87508
(505) 466-8120 FAX: (505) 466-9682 Mobile: (505) 699-2276

The field representative during drilling and production will be:

John Thompson
Merrion Oil & Gas Corporation
610 Reilly Ave.
Farmington, NM 87401
(505) 327-9801 FAX (505) 326-5900 Mobile: (505) 320-1748

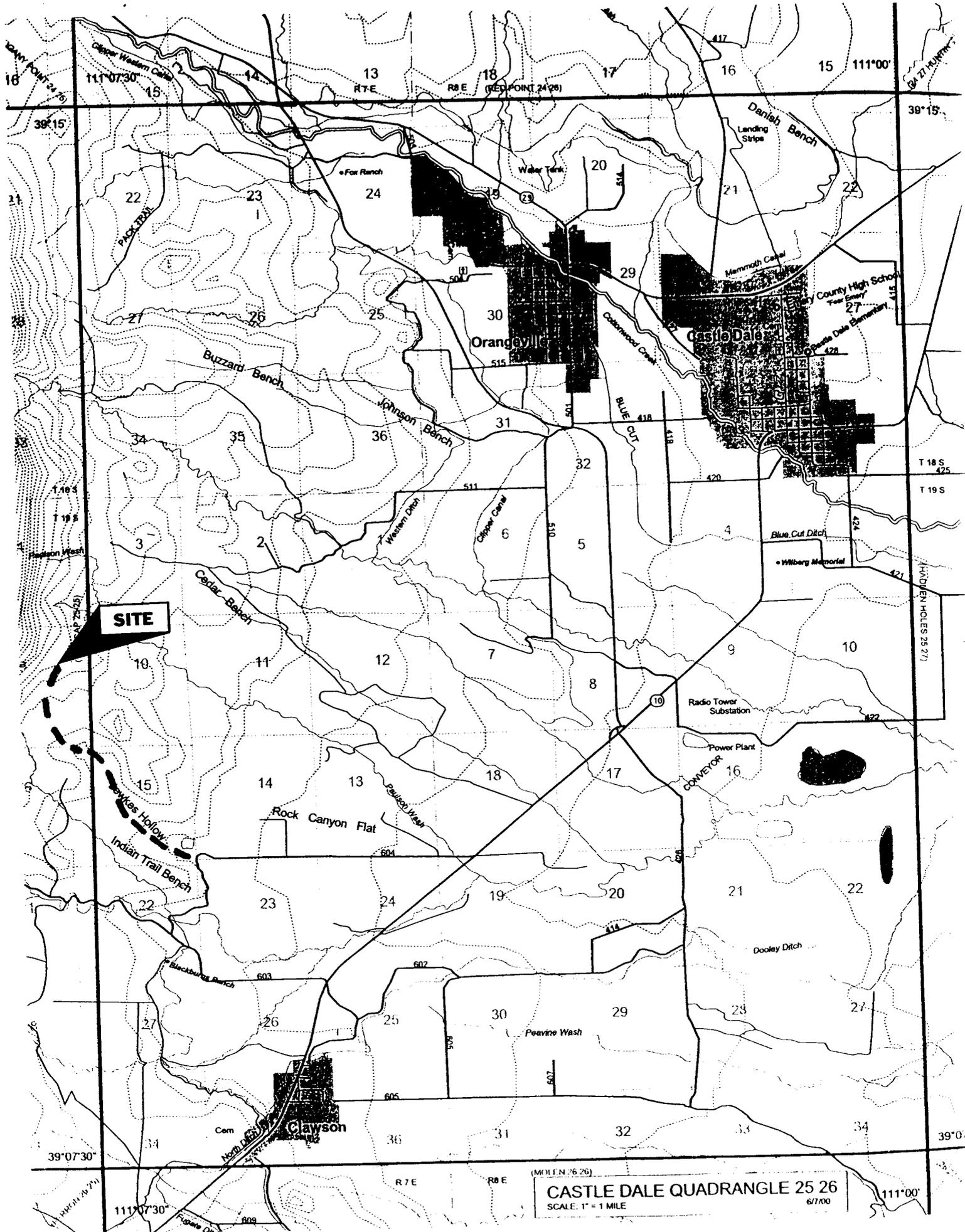
I hereby certify Merrion Oil & Gas Corporation has the necessary consents from the proper lease and unit interest owners to conduct lease and unit operations in conjunction with this APD. Bond (NM-0883) coverage *per* 43 CFR 3104 for lease activities is being provided by Merrion Oil & Gas Corporation.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Merrion Oil & Gas Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U. S. C. 1001 for the filing of a false statement.



Brian Wood, Consultant

August 7, 2003



SITE

CASTLE DALE QUADRANGLE 25 26
 SCALE: 1" = 1 MILE
 6/7/00

Long Point No 4
ruotr

12'30"

T 18 S

T 19 S

6515

8200

Cedar
Banch 3

A L

439

438

SITE

(CASTLE DALE)
3782 II NE

437

F O R E S T

Proposed
Gas Line
Existing Road

436

ROCK

Banch 1

10'

435

Canyon

Spring

Lease

CASTLE DALE (UTAH 10) 8 MI.

6600

6200

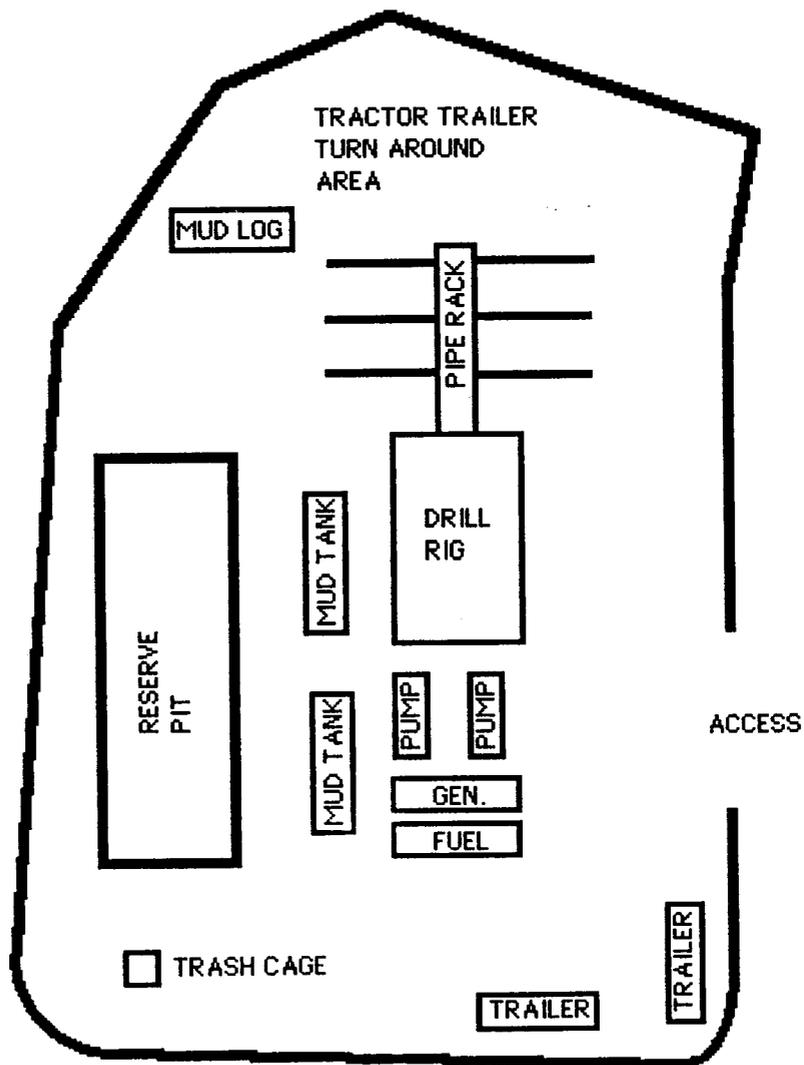
6400

20

21

6200

Merrion Oil & Gas Corporation
Crows Foot 1-R
2165' FNL & 865' FEL
Sec. 9, T. 19 S., R. 7 E.
Emery County, Utah

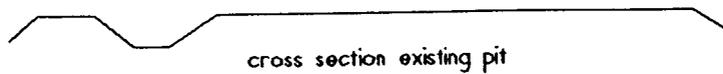
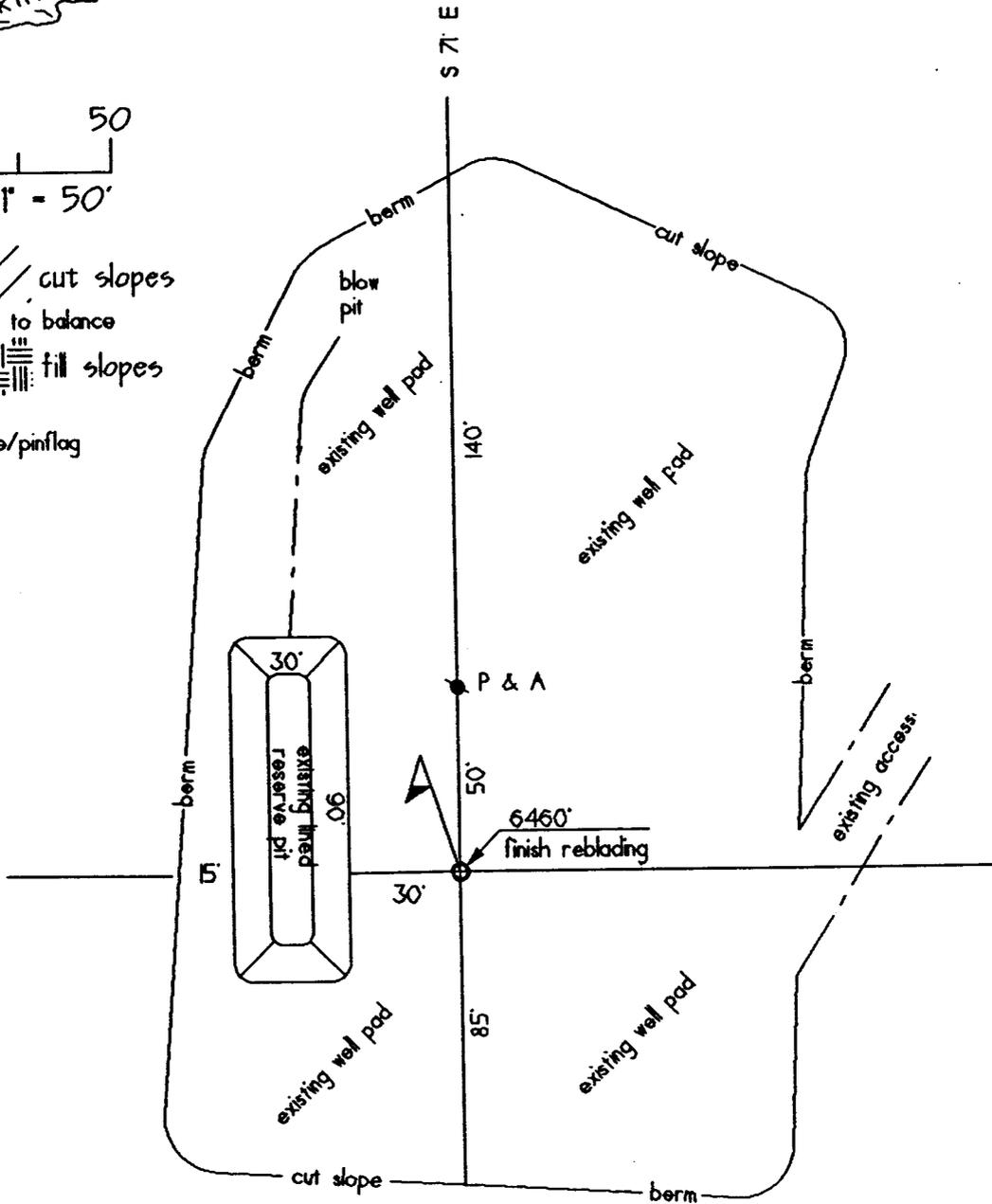


Crows Foot # 1 - R
well pad & section



0' 50'
Scale 1" = 50'

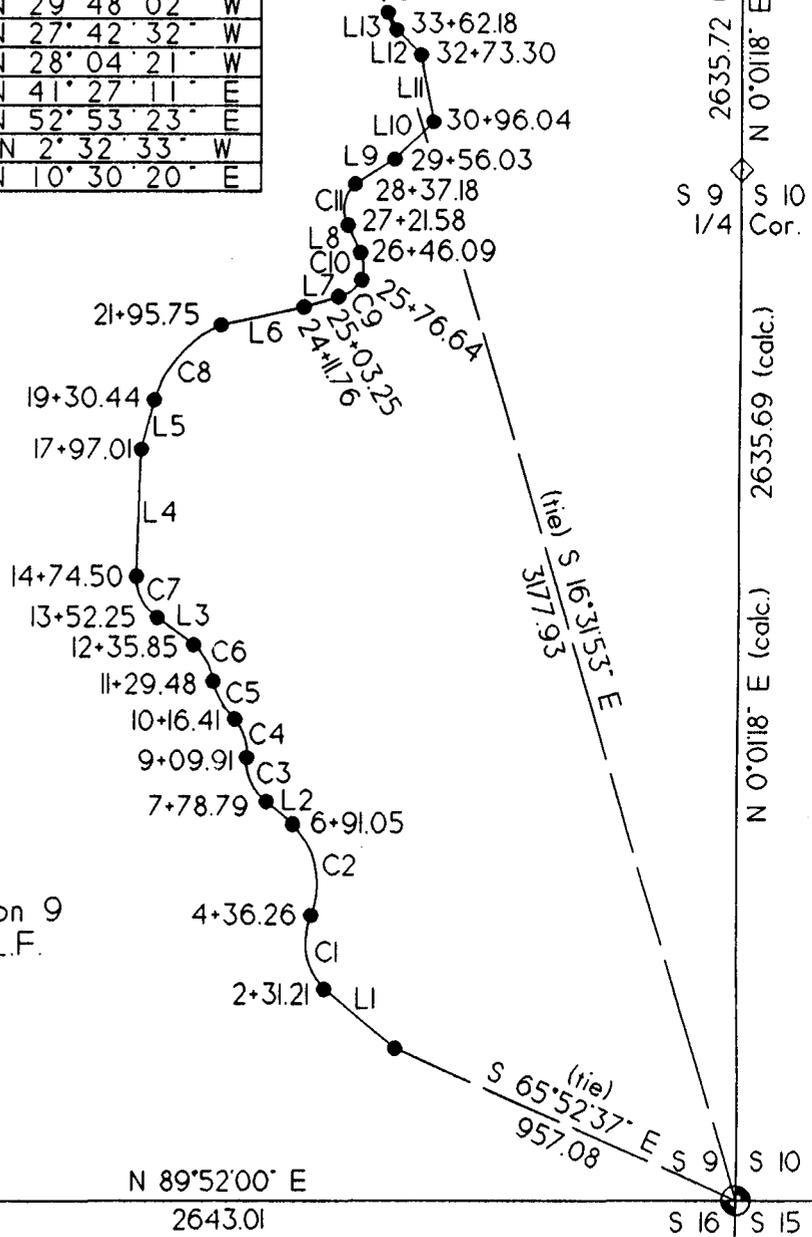
- /// cut slopes
- grade to balance
- ||||| fill slopes
- stake/pinflag



CURVE DESCRIPTION TABLE

CURVE	RADIUS	LENGTH	CHORD	BEARING
1	176.67	205.05	193.82	N 9° 57' 10" W
2	221.45	254.79	240.96	N 11° 47' 37" W
3	124.66	131.12	125.24	N 24° 16' 55" W
4	129.25	106.50	103.50	N 17° 25' 42" W
5	200.68	113.07	111.67	N 29° 48' 02" W
6	156.34	106.37	104.31	N 27° 42' 32" W
7	124.25	122.25	117.41	N 28° 04' 21" W
8	308.08	265.31	257.17	N 41° 27' 11" E
9	93.66	73.39	71.48	N 52° 53' 23" E
10	87.61	69.45	67.63	N 2° 32' 33" W
11	85.22	115.60	106.95	N 10° 30' 20" E

34+13.14 - EOL at existing well pad
Crows Foot #1R location



NOTE: Proposed pipeline route follows the existing access road to the Crows Foot #1R location.

E/2 Section 9
3.413.14 L.F.

1/4 Cor. S 9
S 16
fnd. std. brass cap monument

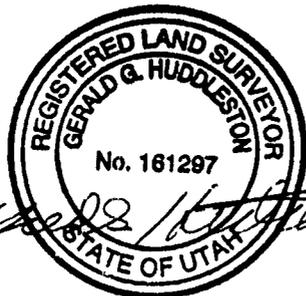
N 89°52'00" E
2643.01

S 16 S 15
fnd. std. brass cap monument

LINE DESCRIPTION TABLE

LINE NO.	DIRECTION	LENGTH
1	N 50° 43' 55" W	231.21
2	N 48° 32' 15" W	87.74
3	N 53° 38' 49" W	116.40
4	N 1° 49' 17" E	322.51
5	N 13° 52' 36" E	133.43
6	N 77° 38' 12" E	216.01
7	N 73° 33' 07" E	91.49
8	N 25° 17' 31" W	75.49
9	N 56° 37' 39" E	118.85
10	N 45° 26' 03" E	140.01
11	N 10° 53' 38" W	177.26
12	N 43° 33' 40" W	88.88
13	N 26° 12' 13" W	50.96

Basis of Bearing:
GPS state plane coordinates rotated.



0' 500'
Scale: 1" = 500'

MERRION OIL & GAS CORPORATION

Crows Foot #1R proposed pipeline route -
E/2 of Section 9,
T.19 S., R.7 E., SLM,
Emery County, Utah

1 June 2004

HUDDLESTON LAND SURVEYING
P.O. DRAWER KK / CORTEZ, CO 81321 / 970-565-3330

- ⊕ fnd. std. GLO monument, as shown
- ◇ calculated corner
- survey centerline PI

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/10/2004

API NO. ASSIGNED: 43-015-30613

WELL NAME: CROWS FOOT 1-R
OPERATOR: MERRION OIL & GAS CORP (N0630)
CONTACT: BRIAN WOOD

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:

SENE 09 190S 070E
SURFACE: 2165 FNL 0865 FEL
BOTTOM: 2165 FNL 0865 FEL
EMERY
BUZZARD BENCH (132)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-064903
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: FRSD
COALBED METHANE WELL? NO

LATITUDE: 39.18422
LONGITUDE: -111.1343

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM-0883)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 93-300)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.
Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approval
2- Spacing Strip

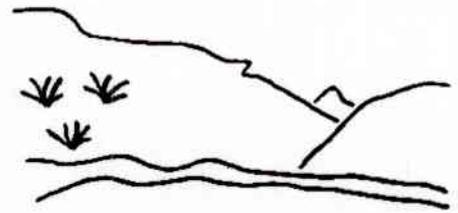


OPERATOR: MERRION O&G CORP (N0630)

SEC. 9 T.19S R.7E

FIELD: BUZZARD BENCH (132)

COUNTY: EMERY



Utah Oil Gas and Mining



SPACING: R619-3-3 / EXCEPTION LOCATION

Wells	Units.shp	Fields.shp
⊕ GAS INJECTION	□ EXPLORATORY	□ ABANDONED
⊗ GAS STORAGE	□ GAS STORAGE	□ ACTIVE
× LOCATION ABANDONED	□ NF PP OIL	□ COMBINED
⊕ NEW LOCATION	□ NF SECONDARY	□ INACTIVE
⊖ PLUGGED & ABANDONED	□ PENDING	□ PROPOSED
⊗ PRODUCING GAS	□ PI OIL	□ STORAGE
● PRODUCING OIL	□ PP GAS	□ TERMINATED
⊖ SHUT-IN GAS	□ PP GEOTHERML	
⊖ SHUT-IN OIL	□ PP OIL	
× TEMP. ABANDONED	□ SECONDARY	
○ TEST WELL	□ TERMINATED	
⊕ WATER INJECTION		
⊕ WATER SUPPLY		
⊕ WATER DISPOSAL		

PREPARED BY: DIANA WHITNEY
DATE: 13-AUG-2004



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 17, 2004

Merrion Oil & Gas Corporation
610 Reilly Ave.
Farmington, NM 87401

Re: Crows Foot 1-R Well, 2165' FNL, 865' FEL, SE NE, Sec. 9, T. 19 South,
R. 7 East, Emery County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30613.

Sincerely,

for John R. Baza
Associate Director

pab
Enclosures

cc: Emery County Assessor
Bureau of Land Management, Moab District Office

Operator: Merrion Oil & Gas Corporation
Well Name & Number Crows Foot 1-R
API Number: 43-015-30613
Lease: UTU-064903

Location: SE NE **Sec. 9** 19 South **R. 7 East**

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR RECEIVED
BUREAU OF LAND MANAGEMENT MOAB FIELD OFFICE

005

APPLICATION FOR PERMIT TO DRILL OR REENTER

2004 AUG 12 A 10:50

5. Lease Serial No.
~~UTU-064903~~ UTU 69403

6. If Indian, Allottee or Tribe Name

N/A

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

N/A

8. Lease Name and Well No.

CROWS FOOT 1-R

9. API Well No.

43-015- 30613

10. Field and Pool, or Exploratory

BUZZARD BENCH

11. Sec., T., R., M., or Blk. and Survey or Area

9-19s-7e SLM

12. County or Parish

EMERY

13. State

UT

1a. Type of Work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other

DEPT OF THE INTERIOR
BUREAU OF LAND MGMT
 Single Zone Multiple Zone

2. Name of Operator
MERRION OIL & GAS CORPORATION

3a. Address 610 REILLY AVE.
FARMINGTON, NM 87401

3b. Phone No. (include area code)
(505) 327-9801

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 2165' FNL & 865' FEL
At proposed prod. zone SAME

14. Distance in miles and direction from nearest town or post office*
6 AIR MILES SW OF CASTLE DALE

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

865'

16. No. of Acres in lease

2,100.67

17. Spacing Unit dedicated to this well

160 ACRES (NE4)

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

50' & 2604'

19. Proposed Depth

3,520'

20. BLM/BIA Bond No. on file

NM-0883

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

6,460' GL

22. Approximate date work will start*

UPON APPROVAL

23. Estimated duration

9 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

Comments

No new construction. Well is staked on Merrion's Crows Foot 1, a TA well which will be P&A after 1-R hits TD.

Request exception due to geology and topography.

The well is staked at 2165 FNL & 865 FEL on a BLM lease. It is 5' too far west.

A well could be staked at 2165 FNL & 860 FEL.

However, Merrion wants to maximize the distance between the original well bore (50' east) which was lost before TD.

Maximizing the distance is difficult on the very narrow badland ridge.

Merrion is requesting permission to drill at 2165 FNL & 865 FEL 9-19s-7e.

This will ultimately be the only well existing or planned for this quarter section.

Closest other well is Merrion's Federal 16-9 which is over 2,604' south.

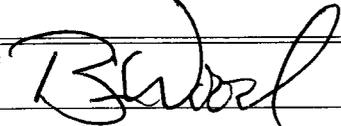
BLM is the lessor of all 8 adjacent quarter sections.

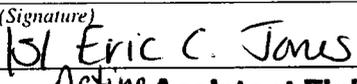
Merrion is the lessee of all land within a minimum 1775' radius and 6 of the 8 adjacent quarter sections.

RECEIVED
SEP 27 2004

DIV. OF OIL, GAS & MINING

cc: BLM, County, Dunn, UDOGM

25. Signature  Name (Printed/Typed) BRIAN WOOD Date 8-7-04
Title CONSULTANT PHONE: 505 466-8120 FAX: 505 466-9682

Approved by (Signature)  Name (Printed/Typed) Eric C. Jones Date SEP 22 2004
Title Acting Assistant Field Manager, Division of Resources Office Moab Field Office

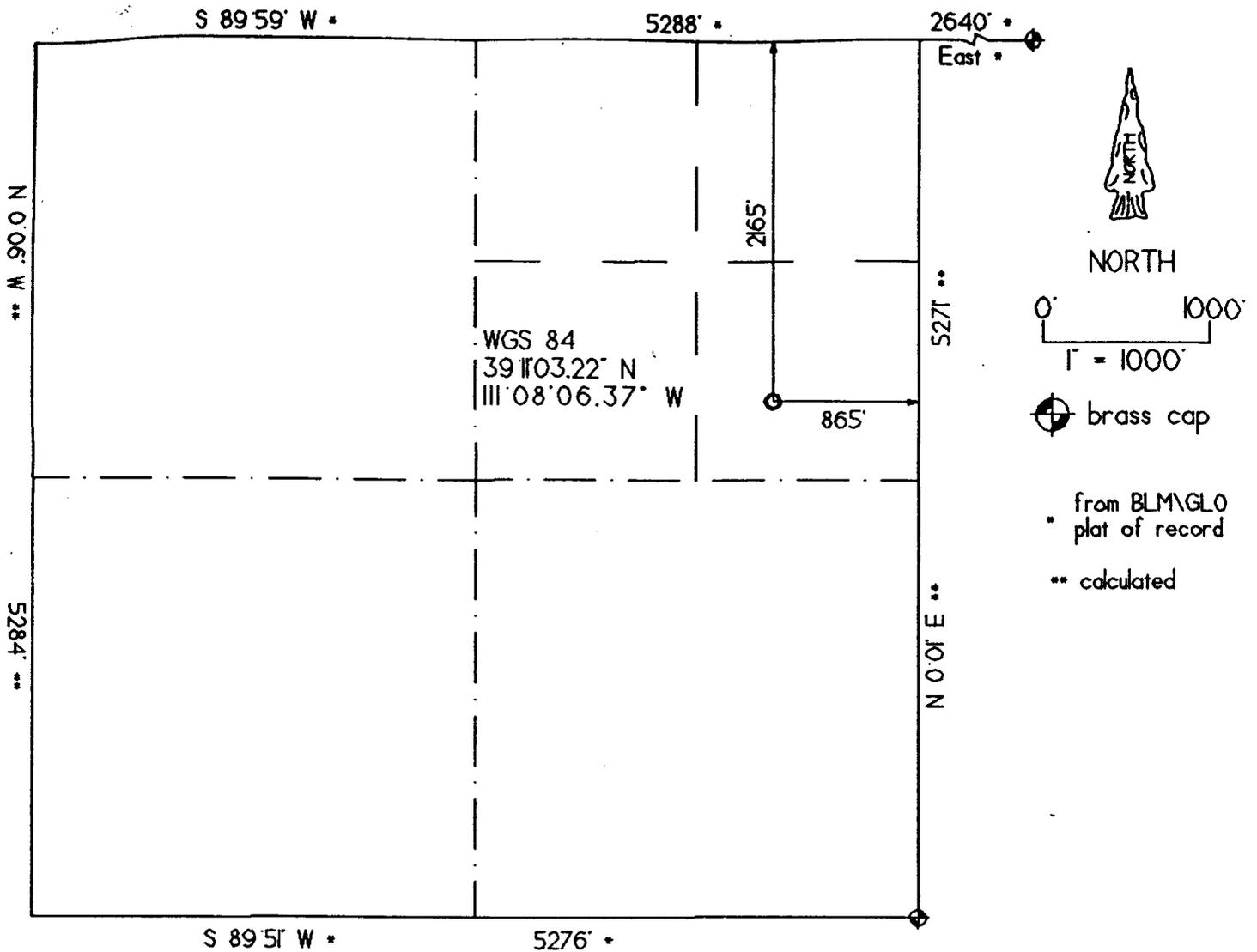
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

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.

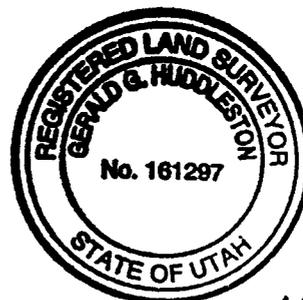
CONDITIONS OF APPROVAL ATTACHED

Well Location Plat



Well Location Description

MERRION OIL & GAS CORPORATION
 Crows Foot # 1 - R
 2165' FNL & 865' FEL
 Section 9, T.19 S., R.7 E., SLM
 Emery County, UT
 6460' grd. el. (from GPS)



04/28/04

Gerald G. Huddleston
 Gerald G. Huddleston, LS

The above is true and correct to my knowledge and belief.

Merrion Oil & Gas Corp.
Crows Foot #1-R
Lease U-69403
SE/NE Section 9, T19S, R7E
Emery County, Utah

A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.

CONDITIONS OF APPROVAL

Approval of this application 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.

Be advised that Merrion Oil and Gas Corporation is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by NM 0883 (Principal – Merrion Oil and Gas Corporation) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

A. DRILLING PROGRAM

1. The proposed BOPE is comprised of 3000 psi equipment in a 2M configuration. This design is adequate for anticipated conditions. Installation, testing (to 2M standards) and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2. Testing BOP equipment to 1500 psi as described in the APD is not sufficient.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
3. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply. Among the requirements in this section are:
 - Spark arresters
 - Blooie line discharge 100 feet from wellbore
 - Straight blooie line
 - Deduster equipment
 - Float valve above bit
 - Automatic igniter on the blooie line
4. If the production casing cement job does not circulate to surface, a cement bond log (CBL) or other appropriate tool for determining top-of-cement shall be run.

Crows Foot No. 1 Well

5. A plugging proposal for the Crows Foot No. 1 well shall be submitted for approval.
6. The Crows Foot No. 1 well shall be plugged and abandoned within 30 days of completing the Crows Foot No. 1-R well, regardless of the well's commercial success.
7. A Well Completion or Recompletion Report and Log (Form 3160-4) for the Crows Foot No. 1 is overdue and shall be submitted within 30 days of this approval.

SURFACE USE

1. The following appendices are attached for your reference. They are to be followed as conditions of approval:

Table A-1, Seed Mixture for green strip areas
Table A-2, Seed Mixture for Final Reclamation, Salt Desert Areas
EMP 16 & 17, Winter Seasonal Restriction on Critical & High Priority
Winter Range

2. To offset direct impacts of surface disturbance to mule deer and elk, when in elk or mule deer winter range (crucial and high priority), an equivalent acreage of adjacent habitat will be enhanced to accommodate increased use by the animals. The habitat enhancement will be completed commensurate with the surface disturbing activity. All costs associated with project planning through completion shall be the obligation of the lessee. An alternative to the acre for acre mitigation is to participate in a cooperative mitigation agreement between oil and gas companies, BLM-Price Field Office, the Utah Division of Wildlife Resources and the National Fish and Wildlife Foundation.
3. Whether the mud pit shall be lined will be determined at the time of construction.
4. Within six months of installation, surface structures shall be painted in the following flat, earth tone color: Slate Gray(5Y 6/1). Numbers in parenthesis refer to Munsell Soil Color Charts. Any brand of paint may be used provided the colors match. Any facilities that must be painted to comply with OSHA standards are exempt.

GENERAL CONSTRUCTION

1. Operator shall contact the Price BLM Office at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.
2. The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be available for communication with the BLM within a reasonable time when construction

or other surface disturbing activities are underway.

3. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public land is to be immediately reported to the Price BLM Office. The operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Price BLM Office. An evaluation of the discovery will be made by the BLM to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator is responsible for the cost of evaluation of any site found during construction. The BLM will determine what mitigation is necessary.
4. During project construction, surface disturbance and vehicle travel shall be limited to the approved location and access routes. Any additional area needed must be approved by the Price BLM Office prior to use.
5. The operator must provide a trash cage for the collection and containment of all trash. The trash shall be disposed in an authorized landfill. The location and access roads shall be kept litter free.
6. Vegetation removal necessitated by construction shall be confined to the limits of actual construction. Removed vegetation will be stockpiled for use in reclamation or removed from the construction site at the direction of the BLM.
7. Prior to surface disturbance, topsoil is to be separately removed and segregated from other material. Topsoil depth will be decided onsite by BLM. If the topsoil is less than 6 inches, a 6-inch layer that includes the A horizon and the unconsolidated material immediately below the A horizon shall be removed and the mixture segregated and redistributed as the surface soil layer.

Generally topsoil shall be stored within the pad site or adjacent to access roads. The company in consultation with BLM shall determine stockpile locations and dimensions at the onsite. If the topsoil stockpiles will not be redistributed for a period in excess of one (1) year, the stockpiles are to be seeded with seed mixture Salt Desert (see attached).

ROAD and PIPELINE CONSTRUCTION

8. Operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction. A PE shall certify (statement with PE stamp) that the road was constructed to the required Bureau of Land Management (BLM) road standards.
9. Road construction or routine maintenance activities are to be performed during periods when the soil can adequately support construction equipment. If such equipment creates ruts more than 6 inches deep, the soil is deemed too wet to adequately support construction equipment.

10. The operator is responsible for maintenance of all roads authorized through the lease or a right-of-way. Construction and maintenance shall comply with Class II or III Road Standards as described in BLM Manual Section 9113 and the Moab District Road Standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, headcut restoration/prevention.
11. Topsoil from access roads and pipelines is to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.
12. Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipators as needed to avoid erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipators and gravel dispersion fans may be used, or any other design which would accomplish the desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting.
13. In the event construction cannot be completed prior to winter closures, measures to prevent erosion from upcoming spring snowmelt should be taken as follows:

Loose earth and debris must be removed from drainages, and flood plains. Earth and debris should not be stockpiled on drainage banks.

Road drainages should be checked to ensure there are none with uncontrolled outlets.

Be sure all ditch drainages have an outlet to prevent ponding. If necessary, build temporary sediment ponds to capture runoff from unreclaimed areas. Re-route ditches as needed to avoid channeling water through loosened soil.

PAD CONSTRUCTION

14. During the construction of the drill pad, suitable topsoil material is to be stripped and conserved in a stockpile on the pad. If stockpiles are to remain for more than a year, they shall be seeded with the seed mixture Salt Desert (see attached).
15. Generally, drill pads are to be designed to prevent overland flow of water from entering or leaving the site. The pad is to be sloped to drain spills and water into the reserve pit. The drill pad shall be designed to disperse diverted overland flow and to regulate flow velocity so as to prevent or minimize erosion. Well pad diversion outlets shall be equipped with rock energy brakes and gravel-bedded dispersion fans.

REHABILITATION PROCEDURES

Site Preparation

16. The entire roadbed should be obliterated and brought back to the approximate original contour. Drainage control is to be reestablished as necessary. All areas affected by road construction are to be recontoured to blend in with the existing topography. All berms are to be removed unless determined to be beneficial by BLM. In recontouring the disturbed areas, care should be taken to not disturb additional vegetation.

Seedbed Preparation

17. An adequate seedbed should be prepared for all sites to be seeded. Areas to be revegetated should be chiselled or disked to a depth of at least 12 inches unless restrained by bedrock.
18. Ripping of fill materials should be completed by a bulldozer equipped with single or a twin set of ripper shanks. Ripping should be done on 4-foot centers to a depth of 12 inches. The process should be repeated until the compacted area is loose and friable, then shall be followed by final grading. Seedbed preparation will be considered complete when the soil surface is completely roughened and the number of rocks (if present) on the site is sufficient to cause the site to match the surrounding terrain.
19. After final grading, the stockpiled topsoil shall be spread evenly across the disturbed area.

Fertilization

20. Commercial fertilizer with a formula of 16-16-8 is to be applied at a rate of 200 pounds per acre to the site. The rate may be adjusted depending on soil.
21. Fertilizer is to be applied not more than 48 hours before seeding, and shall be cultivated into the upper 3 inches of soil.
22. Fertilizer is to be broadcast over the soil using hand-operated "cyclone-type" seeders or rotary broadcast equipment attached to construction or revegetation machinery as appropriate to slope. All equipment should be equipped with a metering device. Fertilizer application is to take place before the final seeding preparation treatment. Fertilizer broadcasting operations should not be conducted when wind velocities would interfere with even distribution of the material.

Mulching

23. When it is time to reclaim this location, the Price BLM Office will determine whether it

will be necessary to use mulch in the reclamation process. The type of mulch should meet the following requirements: Wood cellulose fiber shall be natural or cooked, shall disperse readily in water, and shall be nontoxic. Mulch shall be thermally produced and air dried. The homogeneous slurry or mixture shall be capable of application with power spray equipment. A colored dye that is noninjurious to plant growth may be used when specified. Wood cellulose fiber is to be packaged in new, labeled containers. A minimum application of 1500 pounds per acre shall be applied. A suitable tackifier shall be applied with the mulch at a rate of 60 to 80 pounds per acre.

An alternative method of mulching on small sites would be the application of straw or hay mulch at a rate of 2000 pounds per acre. Hay or straw shall be certified weed free. Following the application of straw or hay, crimping shall occur to ensure retention.

Reseeding

24. All disturbed areas are to be seeded with the seed mixture required by the BLM. The seed mixture(s) shall be planted in the fall of the year (Sept-Nov), in the amounts specified in pounds of pure live seed (PLS)/acre. There shall be no noxious weed seed in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within 12 months prior to planting. Commercial seed will be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and available for inspection by the BLM. Seed is to be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. (Smaller/heavier seeds tend to drop to the bottom of the drill and are planted first. Appropriate measures should be taken to ensure this does not occur.) Where drilling is not possible, seed is to be broadcast and the area raked or chained to cover the seed. Woody species with seeds that are too large for the drill will be broadcast. When broadcasting the seed, the pounds per acre noted below are to be increased by 50 percent. Reseeding may be required if a satisfactory stand is not established to the surface rights owner's specifications. Evaluation of the seeding's success will not be made before completion of the second growing season after the vegetation becomes established. The Price BLM Office is to be notified a minimum of seven days before seeding a project.
25. The disturbed areas for the road and pipeline must be seeded in the fall of the year, immediately after the topsoil is replaced. The prescribed seed mixture is Salt Desert (see attached).

General

26. Prior to the use of insecticides, herbicides, fungicides, rodenticides and other similar substances, the operator must obtain from BLM, approval of a written plan. The plan must describe the type and quantity of material to be used, the pest to be controlled, the

method of application, the location for storage and disposal of containers, and other information that BLM may require. A pesticide may be used only in accordance with its registered uses and within other agency limitations. Pesticides must not be permanently stored on public lands.

The following seed mixture would be planted along service road borrow ditches, around the edges of drill pads with a production well, and surrounding other production and maintenance facilities. The purpose for this is to provide a green stripe buffer to minimize fire hazards and prevent invasion and establishment of noxious weeds in areas that will receive continued disturbance for the life of these areas.

Table A-1

Common Plant Name	Scientific Name	Pounds per acre (PLS)
Forage kochia	<i>Kochia prostrata</i>	2
Wyoming big sagebrush	<i>Artemisia tridentata wyomingensis</i> var. Gordon Creek	1
Douglas low rabbitbrush	<i>Chrysothamnus viscidiflorus</i>	1
	TOTAL	4

The following seed mixture is for the area that would receive final reclamation. Areas would be planted to protect them from soil erosion and to restore forage production.

Table A-2

Common Plant Name	Scientific Name	Pounds per acre (PLS)
Salt Desert Areas		
<i>Grasses</i>		
Indian ricegrass	<i>Stipa hymenoides</i>	2
Squirreltail	<i>Elymus elymoides</i>	2
Galleta	<i>Hilaria jamesii</i>	2
<i>Forbs</i>		
Lewis flax	<i>Linum perenne lewisii</i>	1
Palmer penstemon	<i>Penstemon palmerii</i>	1
Gooseberryleaf globemallow	<i>Sphaeralcea Grossulariifolia</i>	.5
<i>Shrubs</i>		
Forage kochia	<i>Kochia prostrata</i>	2
Rubber rabbitbrush	<i>Chrysothamnus</i>	1
Fourwing saltbrush	<i>Atriplex canescense</i>	2
Winterfat	<i>Krascheninnikovia (Eurotia) lanata</i>	2
TOTAL		15.5

EMP 16&17: Winter Seasonal Restriction (December 1 to April 15) on Crucial and High Priority Winter Range

Restrictions on Construction Phase Activity: Prohibit construction phase activity, described below, on big game high value and critical winter range during the period (December 1-April 15) without regard for land ownership.

This condition would not apply to normal maintenance and operation of producing wells, described below. On nonfederal lands (where the federal government does not have either surface or subsurface ownership) the Companies would be allowed to conduct construction phase activity if needed to avoid breach of contract or loss of lease rights. In the event construction phase activity proceeds into the winter closure period on non federal interest lands, Companies would make available appropriate documentation to UDWR, upon request.

Construction Phase Activity: Construction phase activity is considered to include all work associated with initial drilling and construction of facilities through completion, including installation of pumping equipment, connection with ancillary facilities and tie-in with pipelines necessary for product delivery.

Companies would not be allowed to initiate construction activity unless it is reasonable to believe that such work can be finished to a logical stopping point prior to December 1 of that year. Specific activities considered to be covered by the seasonal closure include all heavy equipment operation including but not limited to the following:

- Mobilization/Demobilization or operation of heavy equipment (Crawler tractor, front end loader, backhoe, road grader, etc.)
- Construction activity (road construction or upgrading, pad, pipeline, powerline, ancillary facilities, etc.)
- Drilling activity (Operator would not propose or initiate drilling activity if the project could not reasonably be expected to be finished to a logical stopping point by the December 1 date of that year.)
- Seismic operation, detonation of explosives

This seasonal closure would not apply to reconnaissance, survey/design and/or flagging of project work or other similar activity not requiring actions listed for heavy equipment operation.

Production Phase: A well is considered to be in production phase when the well and ancillary facilities are completed to the point that they are capable of producing and delivering product for sale. It is noted that heavy equipment operation may be necessary in performance of maintenance and operation of producing wells.

Restriction on Non Emergency Workover Operations: The companies will schedule non-emergency workover operations (defined below) on big game crucial and high value winter range outside December 1 to April 15 date of the seasonal closure.

Non-emergency Workover Operations: Workover operations to correct or reverse a gradual loss of production over time (loss of production of 20 percent or less over a 60 day period) is considered to be routine or non-emergency workover operations and would not be permitted during the December 1 to April 15 time frame.

Emergency Workover Operations: Emergency work over operations is defined as downhole equipment failure problems or workover operation necessary to avoid shut in of the well or to avoid an immediate safety or environmental problem. Loss of production greater than 20 percent within a 60 day period is indicative of pump failure and will be treated as an emergency workover operation. The companies will submit Sundry Notices to BLM within five of the emergency workover operations between December 1 and April 15.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Price Field Office, Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Price Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor (BLM) shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Don Stephens (435-636-3608) of the BLM Price Field Office for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth;

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at 435-259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: MERRION OIL & GAS CORP

Well Name: CROWS FOOT 1-R

Api No: 43-015-30613 Lease Type: FEDERAL

Section 09 Township 19S Range 07E County EMERY

Drilling Contractor BEAMAN DRILLING RIG # 22

SPUDDED:

Date 07/26/05

Time 2:30 PM

How DRY

Drilling will Commence: _____

Reported by BOZE STINSON

Telephone # 1-435-630-6344

Date 07/27/05 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: MERRION OIL & GAS CORPORATION Operator Account Number: N 0690
 Address: 610 REILLY AVENUE
city FARMINGTON
state NM zip 87401 Phone Number: (505) 324-5300

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301530557	FUZZBALL No. 1		SWNW	2	19S	<u>ZW</u>	EMERY
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14856	7/22/2005		8/4/05		
Comments: <u>FRSD</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301530613	CROWSFOOT No. 1R		SENE	9	19S	7E	EMERY
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>BA</u>	99999	14857	7/26/2005		8/4/05		
Comments: WELL IS STAKED ON CROWSFOOT #1 (WAS JUNKED & ABANDONED ON 11/21/03). <u>FRSD</u>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

STEVEN S. DUNN

Name (Please Print)

Signature
DRLG & PROD MANAGER

Date
8/1/2005

Title

RECEIVED

AUG 01 2005

DIV. OF OIL, GAS & MINING

FYI - State of Utah

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)

**2165' FNL & 865' FEL (SE NE)
SECTION 9, T19S, R7E**

5. Lease Serial No.
UTU-069403

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
CROWSFOOT No. 1R

9. API Well No.
43-015-30613

10. Field and Pool, or Exploratory Area
BUZZARD BENCH

11. County or Parish, State
EMERY COUNTY, UTAH

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, DRLG &
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	CASING REPORT
	<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.)

7/27/05 Move surface rig on location (Beeman Drilling Rig No. 30), dozer pulled in equipment and RU. Spud in with 16" bit for conductor pipe, set 20' of 12 3/4" casing and mix 8 bags quick crete and 1 1/2 sxs calcium chloride. Drilled to 200' and broke down.

7/28/05 Down for repairs on Drive shaft, sent to Salt Lake to be repaired. Put shaft back on (1 bolt hole needs tapped). SDON.

7/29/05 Drilled to 260' cleaned hole. TOOH LDDP and collars (water pump out on rig) repairs on rig. TOOH with rest of pipe picked up tools & prep to run surface casing tomorrow.

7/30/05 RIH with 253.89' of 8 5/8" casing. Hooked up to circulate hole with fresh water gel. Circulated hole, run out of water after pumping 80 bbls, 37 to fill hole. WO water to arrive, mixed and pumped gel sweep with 50#'s LCM. Pumped cement @ 15 ppg with 14.7 ppg returns 6 bbls to surface. Rig down cement equipment and released rig. WO drilling rig.

*** CONTINUED OTHER SIDE ***

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

STEVEN S. DUNN

Signature

Title **DRLG & PRODUCTION MANAGER** DIVISION OF OIL, GAS & MINING

Date **08/15/2005**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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)

- 8/6/05 Move on location Beeman Drilling Rig No. 30 and rig up, dozer and grader pulling in equipment.
- 8/7/05 Move in and set up, pull in rest of equipment. Test BOP, set up equipment. Set up to drill, TIH and tagged cement at 238'. Blew down hole (CO water) and started drilling, drilling at 947'.
- 8/8/05 Drilled to 1500' and run survey, service rig and compressors. Drilled to 1596' and run survey. Drilled to 2039 and run survey. WOB at 28,000# and drilled to 2305'.
Surveys: 500' @ 1°, 1000' @ 1°, 1500' @ 2-1/4° and 2000' @ 4°
- 8/9/05 Drilled to 2500', run survey. Drilled to 2608', WOB 15000#. Drilled to 2663', run survey. Drilled to 2817', run survey. Drilled to 2875' (ROP @ 26'/hr).
Surveys: 2500' @ 5°, 2660' @ 4-3/4°, 2780' @ 5°
- 8/10/05 Drilled to 2942', ran survey. Tried to break circulation while on bottom and plugged bit. TOH, changed bit to TIH, washed down 60' of fill, continue drilling. Survey: 2942' @ 4°
- 8/11/05 Drilled to 3063', ran survey. Rig maintenance and slip drill line. Drilled to 3183' (hard drilling in sand and deviation problems, good circulation so far). Survey: 3030' @ 4°
- 8/12/05 Drilled from 3183' to 3502'. Circulate hole clean. TOH with 17 joints and remove flow check valve. Set up flow lines to circulate hole. Mixing 2% KCl water and filling hole to circulate.
- 8/13/05 Mixed 350 bbls 2% KCl and pumped away and 300 bbls of 8.5# ppg, slick water and pumped away with no circulation. TIH tagged fill (25'). TOH LD pipe and collars. WO loggers. RU log truck and logged well, RD loggers. Set up and started in hole with 5-1/2" to 1400', waiting 2 hrs on Ram blocks for 5-1/2" casing.
- 8/14/05 Blew hole down at 1400'. TIH with 10 joints to 2118.95' and blew down hole. Attempted to unload hole at ~2500' without success. TIH hit bridge at 3361.14' could not work through, LD 1 joint and landed (78 joints) of 5-1/2", 15.5#, J-55 casing at 3337.29' KB/3327.29' GR. ND BOP and RU Halliburton to cement hole. Test lines and pumped job, 5 bbls fresh lead, 20 bbls super flush, 10 bbls fresh water, 170 sxs CBM light with 0.25-pps flocele, 10 PPS gilsonite, lead cement at 10.3 ppg, 120 sxs Premium G with 10% cal seal, 2% CaCl₂, 0.25-pps flocele, tail cement at 14.2 ppg and 79 bbls fresh water displacement, plug down at 7:33 pm, test plug with no flow back. RD Halliburton and released rig.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-069403

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
CROWSFOOT No. 1R

2. NAME OF OPERATOR:
MERRION OIL & GAS CORPORATION

9. API NUMBER:
4301530613

3. ADDRESS OF OPERATOR:
610 REILLY AVENUE CITY **FARMINGTON** STATE **NM** ZIP **87401**

PHONE NUMBER:
(505) 324-5300

10. FIELD AND POOL, OR WILDCAT:
BUZZARD BENCH

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **2165' FNL & 865' FEL**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SENE 9 19S 7E**

COUNTY: **EMERY**
STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: COMPLETION AND
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

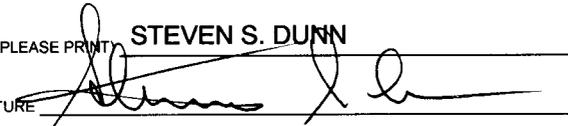
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

11/09/05 MIRU Bran-Dex Wireline and Superior Well Services acid pump. RU 5000-psi frac valve on casing. Pressure test casing to 3800-psig for 15-minutes, okay. RD acid pump. RIH and perforate upper Ferron sand, 2900' - 10' w/ 4-jspf, 40-holes, 120° phasing. RD Bran-Dex. Scheduled to frac tomorrow. SDON.

11/10/05 MIRU Superior Well Services. Frac Ferron Sand (2900-2910') as follows: spearhead 500-gal 15% HCL acid followed by 70Q foam frac fluid (refer to treating report for detail), pumped total of 42,300-lb 20/40 sand, 295-bbls XL8 20# X-link Borate w/ 2%-KCl water, 587,000-scf nitrogen. AIR - 30-bpm, AIP - 2300-psig. ISIP - 2536-psig, 5-min SI - 2319-psig, 10-min SI - 2188-psig, 15-min SI - 2091-psig. RD frac crew. RU flowback assembly. Opened well on 1/4" positive flow choke to pit. Left flowing to pit. SDON.

11/11/05 In AM, well flowing mostly gas on 1/4" positive flow choke w/ 200-psig flowing pressure at wellhead, very little water observed. Shut-in, wait on rig to run production tubing.

***CONTINUED OTHER SIDE ***

NAME (PLEASE PRINT) **STEVEN S. DUNN**
SIGNATURE 

TITLE **DRILLING & PRODUCTION MANAGER**
DATE **12/12/2005**

(This space for State use only)

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DEC 16 2005

11/12/05 SIP ~ 750-psig. Left shut-in. SDOWE.

11/21/05 Moved to location, had cat pull rig into location. Rigged up & unloaded brine into flat tank, tried to blow down well. Pumped 50 bbls brine (10 ppg) killed well & waited on well head, nipped down frac valve & nipped up well head. Tally in hole with production tubing. TIH with 90 jts of 2-3/8", 4.7, EUE, J-55 tbg and seat nipple landed tubing @ 2875.53', nipped down BOP & nipped up well head & set up to swab. SDFN.

11/22/05 Made 9 swab runs, well kicked off flowing watch flow 1 hour. RDMOL.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT FORM 8
(highlight changes)

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-069403

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER _____
b. TYPE OF WORK: NEW WELL HORIZ. LATS. DEEP-EN RE-ENTRY DIFF. RESVR. OTHER _____

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
CROWSFOOT No. 1R

2. NAME OF OPERATOR:
MERRION OIL & GAS CORPORATION

9. API NUMBER:
4301530613

3. ADDRESS OF OPERATOR:
610 REILLY AVENUE CITY FARMINGTON STATE NM ZIP 87401

PHONE NUMBER:
(505) 324-5300

10 FIELD AND POOL, OR WILDCAT
BUZZARD BENCH

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **2165' FNL & 865' FEL**

AT TOP PRODUCING INTERVAL REPORTED BELOW: **Same**

AT TOTAL DEPTH: **Same**

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SENE 9 19S 7E

12. COUNTY **EMERY** 13. STATE **UTAH**

14. DATE SPUDDED: **7/27/2005** 15. DATE T.D. REACHED: **8/12/2005** 16. DATE COMPLETED: **11/13/2005**
ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
6460' GL; 6470' KB

18. TOTAL DEPTH: MD **3,502** TVD _____
19. PLUG BACK T.D.: MD **3,297** TVD _____

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD _____
PLUG SET: TVD _____

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

Induction Density-Neutron

23.
WAS WELL CORED? NO YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12-1/4"	8-5/8 J55	24#	0	264		Port 108	23	circ	
7-7/8'	5-1/2 J55	15.5#	surf	3,337		Lite 170	125	1525 -	CBL
						G 120	35		

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	2,876							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Ferron Sand	2,900	2,910		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
2,900 2,910		40	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
2900'-2910'	Spearhead 500 gals 15% HCl acid followed by 70Q foam frac fluid, pumped total of 42,300# 20/40 sand, 295 bbls XL8 20# x-link Borate with 2% KCl water, 587,000 scf nitrogen.

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER _____

30. WELL STATUS:

Producing

RECEIVED

JAN 17 2006

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 12/25/2005		TEST DATE: 12/25/2005		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 139	WATER – BBL: 0	PROD. METHOD: Flowing
CHOKE SIZE: --	TBG. PRESS. 610	CSG. PRESS. 615	API GRAVITY ---	BTU – GAS n/a	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 139	WATER – BBL: 0	INTERVAL STATUS: Producing

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Ferron Sand	2,900	2,920	Sandstone, Gas, Water	Emery Sand Ferron	834 2,900

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT)

STEVEN S. DUNN

TITLE

DRILLING & PRODUCTION MANAGER

SIGNATURE



DATE

12/27/2005

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-069403
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: MERRION OIL & GAS CORPORATION			8. WELL NAME and NUMBER: CROWSFOOT No. 1R
3. ADDRESS OF OPERATOR: 610 REILLY AVENUE CITY FARMINGTON STATE NM ZIP 87401		PHONE NUMBER: (505) 324-5300	9. API NUMBER: 4301530613
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2165' FNL & 865' FEL			10. FIELD AND POOL, OR WILDCAT: BUZZARD BENCH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 9 19S 7E S			COUNTY: EMERY
			STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
THE DRILLING PITS HAVE BEEN CLOSED ON THIS LOCATION.

NAME (PLEASE PRINT) STEVEN S. DUNN	TITLE DRILLING & PRODUCTION MANAGER
SIGNATURE	DATE 6/7/2007

(This space for State use only)

RECEIVED
JUN 11 2007
DIV. OF OIL, GAS & MINING

RECEIVED

SEP 20 2010

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: See attached well list

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____

7. UNIT or CA AGREEMENT NAME: _____

8. WELL NAME and NUMBER: See attached well list

9. API NUMBER: _____

10. FIELD AND POOL, OR WILDCAT: See attached well list

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR: Coastal Plains Energy, Inc. N2170

3. ADDRESS OF OPERATOR: 420 Throckmorton City Fort Worth STATE TX ZIP 76102 PHONE NUMBER: 817 882-9055

4. LOCATION OF WELL: FOOTAGES AT SURFACE: _____ COUNTY: Emery

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See attached list

BLM Bond No UTB000213

STATE BLANKET BOND CTCS 267895

INDIVIDUAL BONDS FUZZBALL 1 TETS 899537

FERRON ST 4-36-18-7 TETS 899542

ORANGVILLE U 10-2 TETS 899545

NAME (PLEASE PRINT) William R Biggs TITLE President

SIGNATURE William R Biggs DATE 9-14-10

(This space for State use only)

APPROVED 12/30/2010

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Merrion Oil & Gas Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: 610 Reilly Ave CITY Farmington STATE NM ZIP 87401		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: Emery		8. WELL NAME and NUMBER: See Attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH		9. API NUMBER: 43-015-
		10. FIELD AND POOL, OR WILDCAT: Buzzard Bench
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change of Operator</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Merrion Oil & Gas Corporation has sold the attached list of wells to Coastal Plains effective 9/1/2010

NAME (PLEASE PRINT) <u>Philana Thompson</u>	TITLE <u>Regulatory Compliance Specialist</u>
SIGNATURE	DATE <u>8/24/2010</u>

(This space for State use only)

APPROVED 12/30/2010

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

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SEP 16 2010

DIV. OF OIL, GAS & MINING

N2170

LIST OF UTAH PROPERTIES SOLD TO COASTAL PLAINS ENERGY, INC EFFECTIVE JULY 1, 2010

RECEIVED

AUG 30 2010

DIV. OF OIL, GAS & MINING

WELL NAME	QTR/QTR	SECTION	TWNSHP	RANGE	API NO.	LEASE NO.	COUNTY
BUZZARD BENCH 3-24	SESW	SEC 3	19S	7E	43-015-30229	U-18897-A	EMERY
BUZZARD BENCH 6-3	SENW	SEC 3	19S	7E	43-015-30168	U-18897-A	EMERY
CAHILL 1R	SWNW	SEC 15	19S	7E	43-015-30627	U-69403	EMERY
CROWSFOOT 1R	SENE	SEC 9	19S	7E	43-015-30613	U-69403	EMERY
FERRON FEDERAL 16-9	SESE	SEC 9	19S	7E	43-015-30256	U-69403	EMERY
FERRON FEDERAL 16-20	SESE	SEC 20	17S	8E	43-015-30110	ML 48176	EMERY
FERRON FEDERAL 7-12	SWNE	SEC 12	19S	7E	43-015- ³⁰²⁵⁷ 30254	U-18134	EMERY
FERRON STATE 4-36	NWNW	SEC 36	18S	7E	43-015-30253	ML-28195	EMERY
FUZZBALL 1	SWNW	SEC 2	19S	7E	43-015-30557	ML-28199	EMERY
HUMPY 1	SWNE	SEC 3	19S	7E	43-015-30348	U-51015	EMERY
KLINKHAMMER 1	NENW	SEC 34	18S	7E	43-015-30610	U-72356	EMERY
ORANGEVILLE 1-11	NENE	SEC 11	19S	7E	43-015-30222	U-18134	EMERY
ORANGEVILLE 16-6	SESE	SEC 6	18S	8E	43-015-30108	ML-48777 ✓	EMERY
ORANGEVILLE 4-1	NWNW	SEC 1	19S	7E	43-015-30221	U-18134	EMERY
ORANVEVILLE 10-2	NWSE	SEC 2	19S	7E	43-015-30179	^{ML 28199} U-18134	EMERY
SPARKLE DUN 1	NENE	SEC 16	19S	7E	43-015-30615	ML-49168	EMERY

Plugged
8/23/2007

PUMP AND DEHYDRATOR



August 24,2010

Utah Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Ladies & Gentlemen:

Effective date July 1,2010 Merrion Oil & Gas Corp. sold all of its interest in the Buzzard Bench Field. The New operator and owner: Coastal Plains Energy,Inc. 420 Throckmorton, Suite 630 Fort Worth, Texas 76102. Merrion Oil & Gas will no longer be reporting production and revenue for these wells. Also Severance Tax reports and Conservation reports will not be filed after the effective date of sale.

A List of the wells has been included with a Form 9.

Respectfully,
Merrion Oil & Gas Corp.

A handwritten signature in cursive script that reads "Wayne".

Wayne O'berg
Staff Accountant

RECEIVED
AUG 30 2010
DIV. OF OIL, GAS & MINING

610 Reilly Avenue
Farmington, NM 87401
main 505-324-5300
fax 505-324-5350