

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499

505-325-2627 * fax: 505-325-1211

Merrion Oil & Gas Corporation

Baxter Pass 44-29

October 19, 2009

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602' FSL & 602' FEL, Section 29, T-4-S, R-103-W

Rio Blanco County, CO

Lease Number: COC56878

API#05-103-09838

Plug and Abandonment Report

Notified BLM on 10/8/09

Plugging Summary:

- 10/08/09 Transfer tools and equipment to single rig and ready for roading.
- 10/09/09 Road rig and equipment from Vernal to location. MOL and RU. Open well, no pressure. Open well, no pressure. Lay relief lines to pit. Betty Lau, Colorado BLM representative, approved open pit use on 10/8/09. Hang off rods. RD horses head. LD polish rod. Attempt to release rod pump, unable. Work rods at 30,000#, unable to release. RU tubing tongs. Back off rods. TOH and LD 1 – 6' x 3/4" pony rod, 1 – 8' x 3/4" pony rod, 87 – 3/4" rods, 11 – 5/8" rods. SI well. SDFD.
- 10/12/09 Dig out bradenhead valve. Check well pressure: 9.625" annulus, 100 PSI; tubing and casing, 0 PSI. Blow down 9.625" and change valve. Change out pipe rams and tubing equipment for 2.063" tubing. ND wellhead. NU BOP, test. PU and release tubing hanger. Tally and RIH with 2.063" tubing and tag fill with 8'. LD tag joint. TOH with 76 joints 2.063" IJ tubing. SI well. SDFD.
- 10/13/09 Open up well, no pressure. TOH wet with 121 – 5/8" rods, 40 – 3/4" rods and rod pump, traveling rod / screwed off pump, 121 joints 2.063" IJ tubing, SN and 10' sub. Note: pump stuck in joint above SN. Total tubing tally with 6' sub below tubing hanger: 6531.21'. Top fill at 6548.21' KB when tagged on 10/12/09. Erika Miller, Colorado BLM representative, approved Plug #1 at 6548'. TIH with 198 joints 2.063" IJ tubing to 6545'. SI well. SDFD.
- 10/14/09 Open up well, no pressure. RU pump truck on tubing. Establish circulation out casing with 37 bbls of water. Circulate well clean with additional 19 bbls of water.
Plug #1 spot 12 sxs Class B cement (14.1 cf) with 2% CaCl₂ inside casing from 6548' up to 6273' to isolate the Dakota interval.
PUH with tubing and WOC. Sample OK. TIH with 2.063" tubing and tag cement low at 6520'. Connect pump on 3.5" casing. Reverse circulate with 25 bbls of water.
Plug #1a spot 14 sxs Class B cement (16.5 cf) inside casing from 6520' up to 6208' to isolate the Dakota interval.
PUH with tubing and WOC overnight. SI well. SDFD. Note: wet / muddy conditions.
- 10/15/09 Open up well, no pressure. TIH with 2.063" tubing and tag cement at 6438', 68' above top perforation. Load hole with 1-1/2 bbls of water and establish circulation. Circulate well clean with 60 bbls of corrosion inhibitor. PUH to 3816'. Establish circulation
Pressure test 3.5" casing to 800 PSI, held OK.
Plug #2 spot 7 sxs Class B cement (8.2 cf) inside casing from 3816' up to 3668' to cover the Mancos top.
TOH with tubing. Round trip 3.5" gauge ring to 915'. Perforate 3 bi-wire holes at 910'.

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Plugging Summary – Continued:

10/15/09 TIH and set 3.5" PlugWell cement retainer at 893'. TIH with 27 joints 2.063" IJ tubing to top cement retainer at 893'. Load casing with 4 bbls of water. Sting into CR. Establish rate 1-1/2 bpm at 400 PSI. Load hole with 13 bbls of water and establish circulation out the 9.625" annulus.

Plug #3 with CR at 893', mix and pump 40 sxs Class B cement (47.2 cf), squeeze 37 sxs outside 3.5" casing and below cement retainer and leave 3 sxs inside casing above cement retainer up to 824' to cover the 9.625" casing shoe.

TOH and LD all tubing. Perforate 3 bi-wire holes at 50'. Connect pump to 3.5" casing. Load hole with 2-1/2 bbls of water and establish rate 2-1/2 bpm at 0 PSI. SI well. SDFD.

10/16/09 Open up well, no pressure. Load casing with 2 bbls of water and establish circulation out the 9.625" annulus. Circulate well clean with additional 4 bbls of water.

Plug #4 mix and pump 32 sxs Class B cement (37.7 cf) down the 3.5" casing from 50' to surface, circulate good cement returns.

Dig out wellhead and 9.625" annulus down 4' to cut off point. ND BOP. Issue Hot Work Permit. Cut off wellhead. Found cement down 5' in the 3.5" casing and down 5' in the 9.625" annulus. Top off 3.5" x 9.625" with 2 sxs Class B cement. Dig out and cut off anchors. Weld DHM plate on to 9.625" casing. RD and MOL.

Erika Miller, Colorado BLM representative, was on location.

Neil Frost, A-Plus Well Service, was on location on 10/13/09.