

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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
Merit Energy Company

3a. Address
13727 Noel Road, Suite 500, Dallas, Texas 75240

3b. Phone No. (include area code)
972-628-1610

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2310' FNL & 330' FEL, Sec. 20, T-17-S, R-31-E

5. Lease Serial No.
LC-029395-B

6. If Indian, Allottee of Tribe Name

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

8. Well Name and No.
Turner "B" Well No. 34

9. API Well No.
30-015-05306

10. Field and Pool, or Exploratory Area
Grayburg-Jackson

11. County or Parish, State
Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input checked="" type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Merit Energy is currently conducting an economic study to determine the feasibility of waterflooding the Seven Rivers. In leiu of plugging this well, temporarily abandonment is requested so the economic study can be finished.

MIT test was conducted on 7/25/2006 and witnessed by a BLM representative.

Original Chart attached.

Accepted for record
NMOCD

APPROVED FOR 12 MONTH PERIOD
 ENDING 7/25/2007

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

Larry M. Sanders

Title **Sr. Regulatory Analyst**

Signature

Larry M. Sanders

Date

08/04/2006

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

APPROVED

AUG 11 2006

**ALEXIS C. SWOBODA
 PETROLEUM ENGINEER**

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)

NOON

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AUG 2006
RECEIVED
OCD - ARTESIA

GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

CHART NO. MC MP-1000

METER _____

CHART PUT ON _____ M

TAKEN OFF _____ M

LOCATION _____

REMARKS _____

Handwritten:
112506
Passed
James D. #31
James D. #31
James D. #31