

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)</p>		<p>WELL API NO. 30-015-05126</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injector <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Merit Energy Company</p>		<p>6. State Oil & Gas Lease No. BLM LC-029426-B</p>
<p>3. Address of Operator 13727 Noel Road, Suite 500 Dallas, Texas 75240</p>		<p>7. Lease Name or Unit Agreement Name West, H. E. "B"</p>
<p>4. Well Location Unit Letter _____ : 660 _____ feet from the South _____ line and 1980 _____ feet from the East _____ line Section 10 Township 17-S Range 31=E NMPM Eddy County</p>		<p>8. Well Number 20</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)</p>		<p>9. OGRID Number 14591</p>
<p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p>		<p>10. Pool name or Wildcat Grayburg-Jackson</p>
<p>Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: MIT Test <input type="checkbox"/></p>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

03/15/07 – MIRU, Well has Fiberglass tubing, no tool for tubing, SD to get tool.
 03/16/07 – Open well, try to get off on/off tool, packer came loose, N/U BOP, COOH w/69 jts tubing, SWI, SDFN.
 03/19/07 – Open well, COOH w/rest of tubing & 5-1/2" packer, SWI, SDFN.
 03/20/07 – Open well, P/U work string & packer, set @ 3085', pressure test to 500 psi for 10 minutes, held OK. TOOCH w/tubing, BOP flange leaking, SWI, SDFN.
 03/21/07 – Open well, replace O-ring on BOP, TIH w/2-3/8" tubing, L/D work string, TIH w/ON/OFF tool & 71 jts. Fiberglass tubing, SWI, SDFN.
 03/22/07 – Open well, P/U rest of tubing, N/D BOP, circ hole w/packer fluid, jayed on to packer, test to 500 psi for 10 minutes, Held OK. Backer Hornet Packer set @ 3085.68'. Prep for NMOCD pressure test.
 04/05/07 – Conduct NMOCD MIT test. Pressure test, held OK. Test witnessed by NMOCD Field Inspector, Original chart to NMOCD. Return well to injection.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Cheryl M. Smith TITLE Sr. Regulatory Analyst DATE 06/19/2007

Type or print name _____ E-mail address: _____ Telephone No. (972) 628-1610
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APPROVED BY: Richard Inae TITLE Compliance Officer DATE 6/26/07
 Conditions of Approval (if any): _____