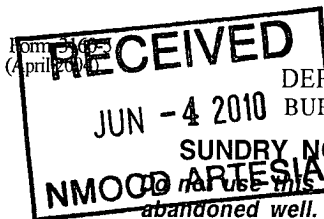


RM



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 Rd. Suite 500 Dallas, Texas 75240**

3b. Phone No (include area code)  
**972-628-1569**

4. Location of Well (Footage, Sec., T, R, M., or Survey Description)  
**990' FNL & 990' FEL Sec. 24-T18S-R30E**

5. Lease Serial No.  
**NM 93771**

6 If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Shugart West 24A Federal #4**

9. API Well No  
**30-015-32115**

10. Field and Pool, or Exploratory Area  
**Shugart; Bone Springs, North**

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

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" 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 <b>Add perfs;</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input 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.)

1. MIRU WSU. ND WH. NU BOP's & test. RU tbg. tools, Kill well if needed w/2% KCL. POOH w/rods, pump & tbg.
2. RIH w/bit & scraper to PBTD. POOH. Clean-out as necessary.
3. RU EL. PU CIBP & RIH. Set @ 7700'. Load & test csg. to 3200 psi. RIH & dump bail cement on top of plug. PU perf gun loaded 3 spf. Assemble to include GR/CCL tools. Log gun on depth & perf Bone Springs 7619' - 7654' MD. Tie in using log. Leave well SI while perforating. POOH w/guns. RD EL unit.
4. MIRU pumping service. Install tree saver. Pump frac down 5-1/2" csg. If screen-out occurs: flow well back immediately to evacuate csg. of as much proppant as possible. When well dies, allow gel to break. If all sand is placed: flush short of top perforation by 1-2 bbl. Record ISIP 5-10-15 min. fallout. SI pressures & total load to recover.
5. PU & TIH w/notch collar. Tag fill. Reverse circ out sand as needed. Circulate hole clean. POOH. RD reverse unit. Land tbg. & swab as needed.
6. POOH w/swab/treating string. RIH w/production tbg., rods, pump & hang-off. RDMO WSU. Place well on production & obtain test when able.

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

**Lynne Moon**

Title **Regulatory Manager**

Signature

Date

**05/03/2010**

**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

Office

Date **MAY 30 2010**

**JAMES A. AMOS**

**SUPERVISOR-EPS**

Title 18 USC. Section 1001 and Title 43 USC 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)