Form 3160-5 (April 2004)

1. Type of Wel

2. Name of Operator

3a Address

TYPE OF SUBMISSION

Notice of Intent

Subsequent Report

". Bobbs NM 20246 UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Change Plans

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

13727 Noel Road, Suite 500, Dallas, Texas 75240

990' FSL & 1980' FWL, Sec. 35, T19S, R34E

	DIDEATION AND MAN	A OTS ATS TO			
BUREAU OF LAND MANAGEMENT			5. Lease Serial No.		
SUNDRY	NOTICES AND REF	NMNM052			
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.			6. If Indian, Allottee or Tribe Name		
JBMIT IN TR	IPLICATE- Other instr	ructions on reverse side.	7. If Unit or CA/Agreement, Name and/or No.		
ll Oil Well [Gas Well Other				
Oil Weil Class Weil Coulei			8. Well Name and No.		
rator Merit Energ	v Company		Mescalero Ridge Unit "35" #11		
Merk Energ			9. API Well No.		
		3b. Phone No. (include area code)	30-025-21464		
Road, Suite 500, Dallas, Texas 75240		972-628-1610	10. Field and Pool, or Exploratory Area		
Vell <i>(Footage, Sec.,</i>	T., R., M., or Survey Description)		Pearl (Queen)		
1980' FWL, Sec. 3	35, T19S, R34E		11. County or Parish, State		
			Lea County, New Mexico		
12. CHECK A	PPROPRIATE BOX(ES) TO	INDICATE NATURE OF NOTICE,	REPORT, OR OTHER DATA		
SUBMISSION					
	Acidize	Deepen Production (S	Start/Resume) Water Shut-Off		
Intent	Alter Casing	Fracture Treat Reclamation	Well Integrity		
	Casing Repair	New Construction Recomplete	Other Con		
nt Report	I Cuomb ropus	Recomplete	/ L_OUNT / ()		

Final Abandonment Notice Plug Back ___ Convert to Injection 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 recomplete 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 recompletion in a new interval & 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.)

Plug and Abandon

Temporarily Abandon

4/29/2004 - MIRU Well Service, Inc. PU & RIH to 4419'. COOH & dragged scrapper @ 4250' to 4230', pulled 12 jts to free tbg. TOOH. PU RIH W/5.5" CIBP, set @ 4200'. POOH. RIH w/4" x 20' csg gun. Loaded 14' of gun @ 2 SPF. Shot 3989' to 4003'. POOH. RIH w/4" x 20' csg gun loaded w/20' of gun w/2spf. Shot 3964' to 3984'. COOH hit tight spot @ 850' & droppped gun i the hole.SDON.

4/30/2004 - RU RIH W/fish & found top of gun @ 4400', gun had pushed down CIBP. Caught fish & COOH. R/u Pump truck & wash fish, caught fish & COOH. RU BWWC & RIH w/4.32 guage ring, stacked out @ 4250'. RIH w/5/5" CIBP & set @ 4150'. RIH w/cement bailer & 2.5 sx of cement and dump of top of plug. TOOH. RIH w/10 strans of kill pipe & SDON.

5/01/2004 - RIH w/5.5" AD1 & set @ 1500'. Loaded backside and leaked off. Pumped 0.5 BPM @ 500 psi. Loaded backside and held @ 500 psi. SDON.

5/03/2004 - RIH w/5/5" RBP &5/5" AD1, set RBP @ 3802'. Pulled 1 strand, set 5.5" AAD1 and pressured up on 5.5" RBP to 1000#, held good. PUH w/5/5" AD1 & set @ 912', pressured up below pkr to 500#. Held good. PUH w/5.5" AD1 & set @ 880', pressured to 500#, bled off to 50#. Went back down to 900', set & pressured up to 400#, bled of to 75#. TIH w/5/5" AD1 to 905', set pkr & pressured to 500#. Csg held. Leak is between 832' & 901'. TIH w/pkr & tbg & tagged rbp. Pulled one jt & dump 2 sw of sand in tbg. TOOH w/tbg & pkr. LD pkr & RIH w10 stands of kill string. SIFTD. Cannot cement until late 5/04/2004, set up squeeze early 5/04/2004. 5/04/2004 - SD, waiting to zqueeze cement.

5/05/2004 - Open well up, TTH w/2.875 tbg open ended, set @ 929', MIRU Halliburton cementing. LD lines & NU on tbg, pumped fresh water & broke circulation, mixed 50 sx of 14.8 lb, Class "C" 2 % CC. circ w/2.5 bbls fresh water, open BOP, TOOH w/9 stands & 1 jt.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)				
Larry M. Sanders	Title Sr. Regulatory	Sr. Regulatory Analyst		
Signature Lany M. Sander	Date 10/10	105-		
ACCEPTED FUNIS SPACE FOR FEDERAL OR STATE OFFICE USE				
Approved by SERG SGD.) DAVID & COMMISSION OF STREET	Title	Date		
Conditions of approval, if any, are attached Approval of this notice does not warranteerify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	t or Office			
Title 19 LICC Section 1001 and Tall 42 LICC Section 1012		10.11	6.3 77 1. 1	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and States any false, fictitious of fraudulent, statements or representations as to any matter within its jurisdiction. and willfully to make to any department or agency of the United

(Instructions on page 2)

ZA SWD Dueen

Form 3160-5 (April 2004)

UNITED STATES

FORM APPROV	ED
OM B No. 1004-01	137
Expires: March 31	200

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT				OM B 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.				Lease Serial No. NMNM052 If Indian, Allottee or Tribe Name	
SUBMIT IN	I TRIPLICATE- Other ins	tructions on reve	rse side.	7. If Unit or	CA/Agreement, Name and/or No.
1. Type of Well Oil Well	Gas Well Other			8. Well Nam	ne and No.
2. Name of Operator Merit e	marty Company				ro Ridge Unit "35" #11
3a Address 13727 Noel Road, Suite 5		3b. Phone No. (include 972-628-1610	e area code)	9. API Wel 30-025-2	
4. Location of Well (Footage	Sec., T., R., M., or Survey Description,)		{ear;)Q	
990' FSL &1980' FWL,	· · · · · ·			11. County o	r Parish, State
,	,			Lea Cou	nty, New Mexico
12. CHEC	K APPROPRIATE BOX(ES) To	O INDICATE NATUR	RE OF NOTICE, R	EPORT, OR	OTHER DATA
TYPE OF SUBMISSION	4	TY	PE OF ACTION		
Notice of Intent Subsequent Report	Acidize Alter Casing Casing Repair	Deepen Fracture Treat New Construction	Production (Standardion Reclamation Recomplete	art/Resume)	Water Shut-Off Well Integrity Other
Final Abandonment Not	ice Change Plans Convert to Injection	Plug and Abandon Plug Back	Temporarily Al Water Disposal	oandon	
If the proposal is to deep Attach the Bond under w	empleted Operation (clearly state all per en directionally or recomplete horizonta hich the work will be performed or pro- the involved operations. If the operation	ally, give subsurface location wide the Bond No. on file w	mated starting date of an ns and measured and tra vith BLM/BIA. Requin	e vertical depths ed subsequent re	of all pertinent markers and zones. ports shall be filed within 30 days

13. 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.)

5/05/2004 - Cont. End of tbg @ 331', SI BOP & circ w/5bbls fresh water & cleaned up cement. Top of cement should be @ 480'. Should have 8 bbls cement above top of csg leak. Shut csg valves & BOP. Started sqz cmt plug @ 0.5 bpm. Pumped 2 bbls - 300# sqz, 4bbl - 600# sqz, 7 bbl - 980# sqz, SD pumps & watch pressure. Shut tbg in and RD. SDON. 5/06/2004 - SD WOC.

No reported activity since the above date.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	1					
Larry M. Sanders	Title Sr. Regulatory Anal	Title Sr. Regulatory Analyst				
Signature Larry M. Sandu	Date 10/10	65-				
ACCEPTED FUTILISERACE FOR FEDERAL OR STATE OFFICE USE						
Approved by CREC. SGD.) DAVID & CLASS	Title	Date				
Conditions of approval, if any, are altastled Approval of this notice does not warr certify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon	ant or lease Office					

THE IS U.S.C. Section 100 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, fictious or fraudulent, statements or representations as to any matter within its jurisdiction.