

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO 1004-0135
Expires January 31, 2004

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> 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 | 5. Lease Serial No. NM-052 | 6. If Indian, Allottee or Tribe Name | 7. If Unit or CA/Agreement, Name and/or No. NM70989X | 8. Well Name and No. MESCALERO RIDGE #014 | 9. API Well No. UNIT "35" 30-025-21613 | 10. Field and Pool, or Exploratory Area PEARL (QUEEN), SEVEN RIVERS | 11. County or Parish, State LEA NM |
|--|---|--|---|-------------------------------|--------------------------------------|---|--|--|--|---------------------------------------|

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 checked="" 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 recompleate 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 recompleation 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 final site is ready for final inspection.)

04/21/08: TAG EXISTING CIBP @ 4490'; SET 5-1/2" CIBP @ 3,980'; MIX & PUMP A 25 SX. CMT. PLUG ON TOP OF CIBP @ 3,980'; CIRC. WELL W/ PXA MUD; ATTEMPT TO PERF. & SQZ. A CMT. PLUG @ 3,395' - COULD NOT PUMP INTO SQZ. PERFS. @ 1,200#.

04/22/08: MIX & PUMP A 35 SX. CMT. PLUG @ 3,450'; WOC & TAG TOP OF CMT. PLUG @ 3,288'; ATTEMPT TO PERF. & SQZ. A CMT. PLUG @ 1,975' - COULD NOT PUMP INTO @ 1,300#; MIX & PUMP A 35 SX. CMT. PLUG @ 2,025'; WOC & TAG TOP OF CMT. PLUG @ 1,748'; PERF. @ 255' & MIX & CIRC. A 90 SX. CMT. PLUG BACK TO SURFACE; DIG OUT & CUT OFF WELLHEAD 3' B.G.L.; INSTALL DRY HOLE MARKER.

WELL PLUGGED AND ABANDONED 04/22/08.

ACCEPTED FOR RECORD

MAY 2 2008

J. Anderson

| | | |
|---|----------------|--|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) DAVID A. EYLER | Title AGENT | BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE |
| Date 04/28/08 | | |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---|------|
| Approved by Chris Williams | Title OC DISTRICT SUPERVISOR/GENERAL MANAGER | Date |
| 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 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.