

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

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

HOBBBS OGD
JAN 22 2013

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|---|
| WELL API NO. 30-025-32907 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name State of New Mexico 35 |
| 8. Well Number 1 |
| 9. OGRID Number 14591 |
| 10. Pool name or Wildcat Kemnitz; Atoka Morrow, South (Gas) |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) |

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| 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.) | |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | |
| 2. Name of Operator Merit Energy Company | |
| 3. Address of Operator 13727 Noel Road, Ste. 500 Dallas, TX 75240 | |
| 4. Well Location Unit Letter G : 1980 feet from the N line and 1980 feet from the E line Section 35 Township 16S Range 34E NMPM County Lea | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | |

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: 30 Day Extension Request ☒

OTHER: ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The State of New Mexico 35 #1 was not able to obtain "temporary abandonment" status b/c the MIT failed to prove mechanical integrity. At that time, 90 days were granted to plug or repair the well. Merit Energy Company has been reviewing uphole/downhole potential and requests an extension for 60 days to move a rig on and drill a sidetrack to the Wolfcamp. Per Conversation w/ Maxey Brown on 1/9/2013 regarding issue.

Extension of 60 days (expires 3/20/2013)
Repair and return well to prod on T/A
OR P/A well. mss

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Matt Ogden

TITLE Regulatory Analyst

DATE 01/16/2013

Type or print name Matt Ogden

E-mail address: matt.ogden@meritenergy.com

PHONE: (972)628-1603

For State Use Only

APPROVED BY:

Maxey Brown

TITLE

Compliance Officer

DATE

1/23/2013

Conditions of Approval (if any):