

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 July 18, 2013

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

WELL API NO. 30-025-34876
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 A A/C 1
8. Well Number 128
9. OGRID Number 14591
10. Pool name or Wildcat Jalmat, Tnsi, Yates, 7-Rivers, Queen, Grayburg

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 type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Merit Energy Company	
3. Address of Operator 13727 Noel Rd. Suite 1200, Dallas, TX 75240	
4. Well Location Unit Letter <u>K</u> : <u>1980</u> feet from the <u>S</u> line and <u>1830</u> feet from the <u>W</u> line Section <u>13</u> Township <u>23S</u> Range <u>36E</u> NMPM County <u>LEA</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3391	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		ADD NEW FIELD <input checked="" type="checkbox"/>	

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.

11-6-14 TO 12-10-14

CLEAN OUT & TAG @3584'

TAG 3625'

TAG 3615'

PERF @ 3600'-3708' 1 SPF 20 HOLES

PERF @ 3498'-3590' 1 SPF 20 HOLES

FRAC 5 STAGES WITH 4000 GAL 15%HCL & 404 BBLs 25# LINK GEL

SEE ATTACHED

Spud Date:

11/6/14

Rig Release Date:

12/10/14

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

SIGNATURE

Cristy Kennedy

TITLE

Reg. Analyst

DATE

6/25/15

Type or print name

Cristy Kennedy

E-mail address:

Cristy.Kennedy@meritenergy.com

PHONE:

9726245104

APPROVED BY:

[Signature]

TITLE

Petroleum Engineer

DATE

07/17/15

Conditions of Approval (if any):

JUL 17 2015



MERIT ENERGY COMPANY

Job Daily Summary- State Report

Support Line: 972-628-1700 #1

Report Date:

Report #

Well Name: State A AC 1-128

Accounting ID 14726-01	Original Spud Date	Operator MERIT ENERGY COMPANY	SAP API Number 300253487600	Lease State A A/C 1	Unit Name STATE A A/C 1 #128
Working Interest (%) 95.76	Original KB Elevation (ft)	SAP Latitude	SAP Longitude	Total Depth	KB Adjustment (ft)
Field Name Jalmat	County LEA	State/Province NEW MEXICO	Field Office MIDLAND	Accounting Group Jalmat	Producing Status Producing Oil

Job Category Completion/Workover	Primary Job Type Fracture Treatment	Job Start Date 11/6/2014	Job End Date
-------------------------------------	--	-----------------------------	--------------

Daily Operations

Report Start Date 11/6/2014	Primary Activity miru
--------------------------------	--------------------------

Operations Summary

Cavaloz rig to location miru pooh w/rds ndwh nubop had paraffin problems gas etc.
set up to hot oil well AM secure well sion

Report Start Date 11/7/2014	Primary Activity rih bit scrapper
--------------------------------	--------------------------------------

Operations Summary

crew to location ru hot oiler hot oil dn tbng pooh tally up tbng pu bit scrapper rih clean out had fill @ 3584
pooh set up to rih w/baler nu baler rih start baling sand @ 3584 got down to 3625 pull up let pu brakes cool off rih tagged up agin @ 3615 had fill coming in
could not make progress ran till dark last tag was @ 3615
3584 1st Tag
3625 Bale to
3615 Last tag point
pooh 13 stds. above 2953 set up to rih w/bit pwr swivel reverse unit
on monday secure well siowe

Report Start Date 11/10/2014	Primary Activity clean out well
---------------------------------	------------------------------------

Operations Summary

crew to location ooh w/pipe nu 4 3/4 bit 6 collars rih with bha and tbng (107) tagged up 3602 ru pwr swivel start circulation pumped 200 bls. plus (casing capacity 78 barrels) well went on vacuum would not circulate nd power swivel pooh to 2741 80 jts plus collars 6 collars in well
release reverse unit set up to run foam unit AM
secure well sion

Report Start Date 11/11/2014	Primary Activity move in foam unit
---------------------------------	---------------------------------------

Operations Summary

crew to location start to ru air foamer/ frac tks /etc
had to wait on equipment
rih to break circulation @ 2708 broke circulation
RIH to tag up @ (3597) could not break circulation
pull up to 3443 start circulating again would not circulate pull above perfs secure well
sion

Report Start Date 11/12/2014	Primary Activity try to clean out well
---------------------------------	---

Operations Summary

crew to location lines froze up thaw out rih to 2838 tried to circulate could not circulate pull up to
(2708) start back up broke circulation ran 30 mins rih back to 2838 start circulating again circulated ok rih dn to 2966 circulated ok continued going dn tagged
up 3565 start clean out
continue cleaning out to PBTD 3762 end of hole circulate clean pooh to top of perfs 2741 perfs @ 2953
16 stds out secure well sion

Report Start Date 11/13/2014	Primary Activity rih tag up
---------------------------------	--------------------------------

Operations Summary

crews to location had bha @ 2741 80 jts. start compressor get circulation rih to depth @ 3250 96 jts. in brk circulation continue going in to depth verify clean dn
to pbtd @ 3762 circulate clean pooh rack tbng. lay dn. collars
set up capitain to perforate well
secure well sion

Report Start Date 11/14/2014	Primary Activity perforate well
---------------------------------	------------------------------------

Operations Summary

crew to location ru capitain wireline rih w/perf gun first run start perforating
@ 3600 - 3708 1 SPF 20 holes
@ 3498 - 3590 1 SPF 20 holes
pooh w/wl release nu pkr ru hydro testers rih test tbng to 5k land pkr @ 3450 set
acid trks on location ru acid trks test lines start pumping fw 13 bls pressure to 3240 switch to 15% hcl total 4000 gals. press @ 3240 broke
3.8 bpm ave rate ave press 938# switch to wtr. pump 19.1 bls- tbng. casing capacity for flush
ISIP 188 -5 vac.-10 vac. rd acid trk
ru swab unit rih fluid @ 700 ft above sn depth rih 2nd time hit fluid @ 200 ft swabbed total of 4 bls,
no gas show no fluid entry si well for build up
secure well siowe

Report Start Date 11/17/2014	Primary Activity swab well
---------------------------------	-------------------------------

Operations Summary

crew to location rih to swab tbng. had little fluid pooh unset pkr rih reset @ 3650 tried swabbing again
made dry run sit try one more swab run dry standby 2 hrs. rih check for fluid again did not have any after third attempt secure well sion



MERIT ENERGY COMPANY

Job Daily Summary- State Report

Support Line: 972-628-1700 #1

Report Date:

Report #

Well Name: State A AC 1-128

Accounting ID 14726-01	Original Spud Date	Operator MERIT ENERGY COMPANY	SAP API Number 300253487600	Lease State A A/C 1	Unit Name STATE A A/C 1 #128
Working Interest (%) 95.76	Original KB Elevation (ft)	SAP Latitude	SAP Longitude	Total Depth	KB Adjustment (ft)
Field Name Jalmat	County LEA	State/Province NEW MEXICO	Field Office MIDLAND	Accounting Group Jalmat	Producing Status Producing Oil

Daily Operations

Report Start Date 11/18/2014	Primary Activity rih w/ pkr set up for frac
---------------------------------	--

Operations Summary

Crew to location rih to swab tbng. tried swabbing again tbng was dry rd swab ru to rih w/rds poohw/ rds lay all rds dn
unset pkr @ 3650 pooh w/ all tbng lay dn all tbng. 2 3/8 pull off racks
bring in 3.5 tbng tally up ru hydro testers rih hydro testing 5 jts tbng. dry slow run
finnish hydro testing in the morning
secure well sion

Report Start Date 11/19/2014	Primary Activity RIH 3 1/2 pipe rdmo
---------------------------------	---

Operations Summary

crew to location finnish rih 3.5 tbng tally up ru hydro testers tested to 6000 land frac pkr in well @ 3450 pkr (2 7/8 big bore ASI-X)
NU on wellhead for frac 3 1/2 frac stack - insert and 3 1/16 header secure well after preping for frac rd pu set to move AM Ac 2# 9
sion

Report Start Date 12/3/2014	Primary Activity frac well
--------------------------------	-------------------------------

Operations Summary

frac well

Report Start Date 12/3/2014	Primary Activity Frac Well
--------------------------------	-------------------------------

Operations Summary

Move in and RU Frac Specialist. Shut in tubing pressure vac. Test lines to 6000# set popoff at 5500#. Took 29.3 bbls to catch pressure. Broke @ 279#. Pump
35,120# 16/30 mesh brown sand and 14720# 16/30 mesh RCS Garnet sand:
Pad 208.6 bbls 25# x-Link Gel 15 BPM @ 1608#
1.0# Stage 74 bbls 25# x-Link Gel 14.8 BPM @ 1561# with 2975# 16/30 Brown sand
2.0# Stage 76.6 bbls 25# x-Link Gel 14.6 BPM @ 1489# with 5911# 16/30 Brown sand
3.0# Stage 82 bbls 25# x-Link Gel 14.4 BPM @ 1311# with 9139# 16/30 Brown sand
4.0# Stage 99 bbls 25# x-Link Gel 11340 BPM @ 1345# with 17095# 16/30 Brown sand
5.0# Stage 73 bbls 25# x-Link Gel 12.6 BPM @ 1130# with 14720# 16/30 RCS Garnet
Flush with 31 bbls.
ISIP 701# 5 min 659# 10 min 647# 15 min 635# FG 0.62 666 Water to recover.

Report Start Date 12/5/2014	Primary Activity pooh w 3 1/2
--------------------------------	----------------------------------

Operations Summary

miru on well nd frac valve and misc. equipment pooh w 3 1/2 pipe pu production string 2 3/8 j55 ru hydro testers test to 5000 rih tallying pipe land prod. string
tagged for fill @ 3696 115 jts
pull up 2 jts set depth
secure well siowe

Report Start Date 12/8/2014	Primary Activity clean out fill
--------------------------------	------------------------------------

Operations Summary

crew to loaction pooh hook up gas buster- mi pwr swivel- foam unit- nu 4 3/4 bit collars
RIH W/ 4-3/4" bit .bit sub , 6 - 3.5" DC , X over. tallied up 109 jts. Tagged @ 3694'. POOH To 2590'. Wait on foam air unit.foam- unit on location @400 ru all
lines set up to rih clean out AM
secure well sion

Report Start Date 12/9/2014	Primary Activity clean out fill
--------------------------------	------------------------------------

Operations Summary

Crew to loc. Well was dead. RU to break circ @ 2525'. Broke circ, RIH W/ 16 JTS. @ 3039' RU To break circ. Blew well dn RIH W/ 21 Jts. Pick up power SVL &
4' Float valve tag fill @ 3694'. Circ clean to 3745'. Pick up 1 jt. Circ hole clean @ TD 3762'. RD PWR SVL. POOH W/ TBG , Lay dn DC & bit. RU Hydrostatic
Tester test tbng @ 5k psi. Ran 114 jts. RD Testers. Secure well SDFN.

Report Start Date 12/10/2014	Primary Activity rih w/ pump rd mo
---------------------------------	---------------------------------------

Operations Summary

Crew to loc. Blew well dn. Lay dn 5 jts. ND BOP , NU WH. 109 JTS SN @ 3496' Perf sub & M.J. EOT @ 3532'. RIH W/ 12' GA , 2" X 1.5" X 12' RWTC W/ Brass
pull tube pump & 2' lift sub. 4- 1.25" k-bar, 134 - 3/4" rods. Subs 1-2' , 1-4' , 1-6' , 1-8' 3/4" PR 16' X 1.25". Hung well on . RU pump truck Load tbng w/ 12 bbls.
Water w/ bio-cide. Long stroke pump to 500psi. RD Pump truck. rd pumo