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N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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 **Inject**

2. Name of Operator
 Merit Energy Company

3a. Address
 13272 Noel Rd., Suite 500 Dallas Tx. 75240

3b. Phone No. (include area code)
 972-383-6516

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1650' FSL & 1980' FWL Section 26 T-19-S R-34-E Unit K

5. Lease Serial No.
 NM-04452

6. If Indian, Allottee or Tribe Name
 NA

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

8. Well Name and No.
 Mescalero Ridge Unit # 265

9. API Well No.
 30-025-22081

10. Field and Pool, or Exploratory Area
 Pearl (Queen) Field

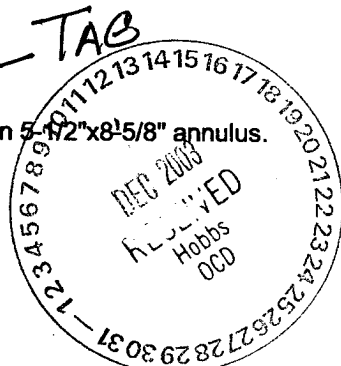
11. County or Parish, State
 Lea County, New Mexico

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 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 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, 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.)

- Set CIBP @ 4600' and cap CIBP w/ 35' of cement.
- Circulate wellbore full of 9.5 ppg mud.
- Perforate 5-1/2" casing at 3390' (50' below base of salt). Squeeze 100' plug.
- Perforate 5-1/2" casing at 285'.
- Pump sufficient amount of cement down 5-1/2" casing to circulate to surface in 5-1/2" x 8-5/8" annulus. Displace cement to 185' inside 5-1/2" casing. WOC and tag.
- Spot cement plug from 0-50'.
- Cut off wellhead. Install dry hole marker.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
 Howard Boatright

Title Agent

Signature *[Signature]*

Date November 6, 2003.

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (ORIG. SGD.) DAVID H. OLIVER

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 _____ Date _____

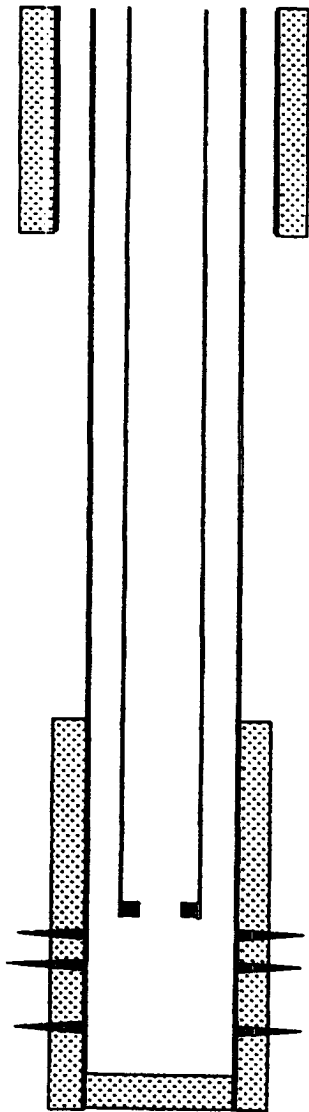
Office **SEE ATTACHED FOR CONDITIONS OF APPROVAL**

Title 18 U.S.C. Section 1001 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, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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Merit Energy
WELLBORE SCHEMATIC

WELL NAME: Mescalero Ridge Unit "26" #5			FIELD: PEARL (QUEEN)			
LOCATION: 1650' FSL & 1980' FWL, SEC 26-T19S-R34E			COUNTY: LEA		STATE: NM	
ELEVATION: GL=3739'; KB=3751'			SPUD DATE: 04/04/67		COMP DATE: 05/01/67	
API#: 30-025-22081		PREPARED BY: C.H. CARLETON			DATE: 11/02/01	
	DEPTH	SIZE	WEIGHT	GRADE	THREAD	HOLE SIZE
CASING:	0' - 235'	8 5/8"	24#	H-40	ST&C	12 1/4"
CASING:	0' - 5159'	5 1/2"	15.5#	J-55	LT&C	7 7/8"
CASING:						
TUBING:	0' - 4594'	2 3/8"	4.7#	J-55	EUE 8rd	
TUBING:						



CURRENT PROPOSED

OPERATOR: *Merit Energy*

8 5/8" CASING @ 235' W/200 SXS. TOC @ SURFACE.

DETAIL OF PERFORATIONS

QUEEN: 4638'-4641'(3 SPF), 4649'-4661'(3 SPF), 4665'-4675'(3 SPF)
M.PENROSE: 4990', 91', 92', 94', 5003', 04', 05', 06'

SEAT NIPPLE @ 4594'

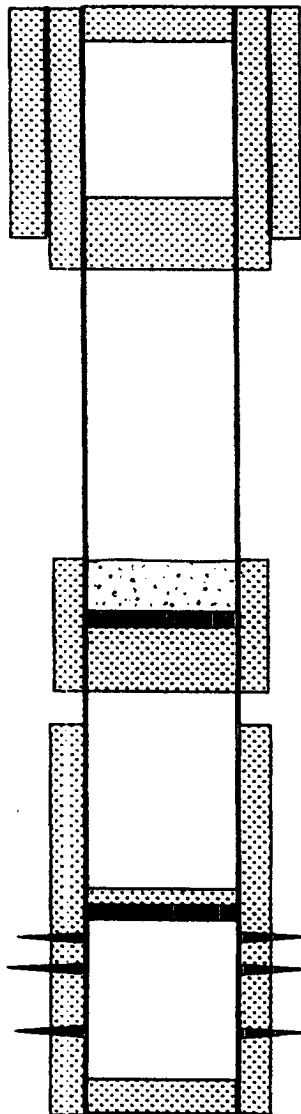
PERFORATIONS: 4638'- 5006' (OA) - 92 HOLES

PBTD @ 5154'

5 1/2" CASING @ 5159' W/350 SXS. TOC @ 3620' (TEMP SURVEY)
TD @ 5174'

Merit Energy
WELLBORE SCHEMATIC

WELL NAME: MESCALERO RIDGE UNIT "26" #5			FIELD: PEARL (QUEEN)			
LOCATION: 1650' FSL & 1980' FWL, SEC 26-T19S-R34E			COUNTY: LEA		STATE: NM	
ELEVATION: GL=3739'; KB=3751'			SPUD DATE: 04/04/67		COMP DATE: 05/01/67	
API#: 30-025-22081		PREPARED BY: C.H. CARLETON			DATE: 11/02/01	
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CASING:	0' - 5159'	5 1/2"	15.5#	J-55	LT&C	7 7/8"
CASING:						
TUBING:						
TUBING:						



CURRENT PROPOSED

OPERATOR: *Merit Energy*

CEMENT PLUG: 0' - 50'

CEMENT PLUG: 185' - 285'

8 5/8" CASING @ 235' W/200 SXS. TOC @ SURFACE.

PERFORATE CASING @ 285'

NOTE: 9.5PPG MUD TO BE SPOTTED BETWEEN CEMENT PLUGS.

Cement Plug: 3290' - 3390'

PERFORATE CASING @ 3390'

CIBP @ 4600', CAPPED WITH 35' CEMENT

PERFORATIONS: 4638' - 5006' (OA) - 92 HOLES

PBTD @ 5154'

5 1/2" CASING @ 5159' W/350 SXS. TOC @ 3620' (TEMP SURVEY)

TD @ 5174'