

19-215r

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MERIT ENERGY COMPANY

RECEIVED

19727 Noel Road · Suite 500 · Dallas, Texas 75240
Ph 972.701.8777 · Fax 972.960.1252 · www.meritenergy.com

October 12, 2004

Mark Fesmire – Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

OCT 27 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Administrative Order No. WFX-795 // Fren Oil Co. No.1 - Injector
Application of Merit Energy Company to expand its waterflood project in the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) pool in Eddy county, New Mexico.

Dear Mr. Fesmire:

Merit Energy Company (Merit) has completed the remedial cementing operations as specified in Administrative Order No. WFX-795 from the OCD (under Division Order No. R-4306) dated January 5, 2004. The administrative order required Merit to perform remedial cement operations on the Fren Oil Co. No.3 (API No.30-015-05251), Cedar Lake No.3Y (API No.30-015-05477), Fren Oil Co. No.2 (30-015-05250), Fren Oil Co. No.12 (API No.30-015-05260), Fren Oil No.13 (API No.30-015-05261) prior to commencing injection operations into the Fren Oil Co. No.1 (API No.30-015-05249). The order also requested documentation consisting of a cover letter summarizing actions performed, and applicable Form C-103's. The Sundry Notices have been attached regarding the completed remedial operations.

Prior to commencing injection operations after sundry approval, Merit will pressure test the casing from surface to packer depth and notify the supervisor of the Artesia district office of the Division so it may be inspected and witnessed. Merit will begin injection operations into the Fren Oil Co. No.1 under the guidelines stipulated in Order WFX-796 if the integrity test is successful and after the C-103 has been filed. Please advise if you require additional information.

Sincerely,

John Petty
Western Permian Engineering

CC: Blaine Stribling – Region Manager



MERIT ENERGY COMPANY

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October 12, 2004

Mark Fesmire – Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Administrative Order No. WFX-795 // Fren Oil Co. No.5 - Injector
Application of Merit Energy Company to expand its waterflood project in the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) pool in Eddy county, New Mexico.

Dear Mr. Fesmire,

Merit Energy Company (Merit) has completed the remedial cementing operations as specified in Administrative Order No. WFX-795 from the OCD (under Division Order No. R-4306) dated January 5, 2004. The administrative order required Merit to perform remedial cement operations on the Fren Oil Co. No.2 (API No.30-015-05250), Fren Oil Co. No.12 (API No.30-015-05260), Fren Oil No.13 (API No.30-015-05261), Max Friess No.4 (API No.30-015-05471), Turner "B" No.50 (API No.30-015-05437) prior to commencing injection operations into the Fren Oil Co. No.5 (30-015-05253). The order also requested documentation consisting of a cover letter summarizing actions performed, and applicable Form C-103's. The Sundry Notices have been attached regarding the completed remedial operations.

Prior to commencing injection operations after sundry approval, Merit will pressure test the casing from surface to packer depth and notify the supervisor of the Artesia district office of the Division so it may be inspected and witnessed. Merit will begin injection operations into the Fren Oil Co. No.5 under the guidelines stipulated in Order WFX-796 if the integrity test is successful and after the C-103 has been filed. Please advise if you require additional information.

Sincerely,

John Petty
Western Permian Engineering

CC: Blaine Stribling – Region Manager



MERIT ENERGY COMPANY

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October 12, 2004

Mr. Mark Fesmire – Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Administrative Order No. WFX-795 // Fren Oil Co. No.25 - Injector
**Application of Merit Energy Company to expand its waterflood project in the
Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) pool in Eddy
county, New Mexico.**

Dear Mr. Fesmire,

Merit Energy Company (Merit) has completed the remedial cementing operations as specified in Administrative Order No. WFX-795 from the OCD (under Division Order No. R-4306) dated January 5, 2004. The administrative order required Merit to perform remedial cement operations on the Fren Oil Co. No.12 (API No.30-015-05260), Fren Oil No.13 (API No.30-015-05261), and Turner "A" No.36 (API No.30-015-20098) prior to commencing injection operations into the Fren Oil Co. No.25 (30-015-29537). The order also requested documentation consisting of a cover letter summarizing actions performed, and applicable Form C-103's. The Sundry Notices have been attached regarding the completed remedial operations.

Prior to commencing injection operations after sundry approval, Merit will pressure test the casing from surface to packer depth and notify the supervisor of the Artesia district office of the Division so it may be inspected and witnessed. Merit will begin injection operations into the Fren Oil Co. No.5 under the guidelines stipulated in Order WFX-796 if the integrity test is successful and after the C-103 has been filed. Please advise if you require additional information.

Sincerely,

John Petty
Western Permian Engineering

CC: Blaine Stribling – Region Manager



MERIT ENERGY COMPANY

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October 12, 2004

Mark Fesmire – Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Administrative Order No. WFX-795 // Turner “B” No.44 (API No. 30-015-05311)
Application of Merit Energy Company to expand its waterflood project in the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) pool in Eddy county, New Mexico.

Dear Mr. Fesmire,

Merit Energy Company (Merit) has completed the remedial cementing operations as specified in Administrative Order No. WFX-796 from the OCD (under Division Order No. R-3185) dated January 5, 2004. The administrative order required Merit to perform remedial cement operations on the Fren Oil Co. No.13 (API No. 30-015-05261) and Turner “B” No.44 (API No. 30-015-05311) prior to commencing injection operations into the Turner “B” Well No.12 (API No. 30-015-05284). The order also requested documentation consisting of a cover letter summarizing actions performed, and applicable Form C-103’s. The Sundry Notices have been attached regarding the completed remedial operations.

Prior to commencing injection operations after sundry approval, Merit will pressure test the casing from surface to packer depth and notify the supervisor of the Artesia district office of the Division so it may be inspected and witnessed. Merit will begin injection operations into the Turner “B” Well No.12 under the guidelines stipulated in Order WFX-796 if the integrity test is successful and after the C-103 has been filed. Please advise if you require additional information.

Sincerely,

John Petty
Western Permian Engineering

CC: Blaine Stribling – Region Manager

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

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

WELL API NO. 30 015 -05311
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LC029395B
7. Lease Name or Unit Agreement Name TURNER B
8. Well Number 44
9. OGRID Number 14591
10. Pool name or Wildcat GRB-JCKSN (7RVRS, QN, GR, SA)

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 Gas Well Other 1N5

2. Name of Operator
MERIT ENERGY COMPANY

3. Address of Operator
13727 NOEL RD., STE 500; DALLAS, TX 75240

4. Well Location
 Unit Letter N : 660 feet from the SOUTH line and 2055 feet from the WEST line
 Section 20 Township 17S Range 31E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3684.21 DF

Pit or Below-grade Tank Application or Closure
 Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
 Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p><input checked="" type="checkbox"/> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7-27-04 RU PU; OPEN UP WELL; BLED DN TO PIT. ND WH, UNSET PKR, NU BOP, POOH W/TBG. ✓

7-29-04 RIH W/RBP & TBG SET @ 2842'. RIH W/WL & CMT RET. SET @ 2410'. POOH W/WL & SETTING TOOL.

7-30-04 OPEN WELL UP, RIH W/WORKSTRING; STUNG INTO CMT RET, RU HALLIBURTON, ESTAB PMP IN RATE 2 BBLs/MIN @ 1800 PSI MIX & PMP 112 BBLs CMT 2/BBLs MIN @ 1800 PSI; SD; CLEANED UP LINES, DISPLACE TBG W/90 BBLs LEFT, APPROX 1/2 BBLs CMT ON TOP OF RETAINER. UNSTUNG FROM CMT RET, PUH REVERSED OUT TO PIT W/45 BBLs. PUT 1/2 BBL/CMT IN PIT; POOH W/WORK STRING.

8-2-04 OPEN UP WELL, RU REVERSE UNIT. PU 4-7/8 BIT & 6 3-1/2 DC'S; TALLY IN HOLE W/TBG; TAG UP @ 2414'; PU SWIVEL, STARTED DRILLING ON RET, DRLD OUT TO 2495'. FELL OUT OF CMT, WENT DWN TO 2541', CIRC HOLE CLEAN. RD SWIVEL. POOH W/TBG, DC'S AND BIT. LD TOOLS. RIH W/20 JTS KILL STRING, SWI.

8-3-04 POOH W/KILL STRING; RU RETRIEVING HEAD; RIH TO 2840', WASH SAND OFF OF RBP, LATCH ONTO RBP & RELEASE. POOH W/RBP & LD. PU PKR, RIH TO 2861'. ND BOP, NU WH, RU PMP TRUCK, CIRC HOLE W/PKR FLUID. SET PKR, PRESS UP ON BACKSIDE TO 500 PSI, HELD 15 MIN. NO LET OFF.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Beverly Hatfield TITLE Sr. Regulatory Analyst DATE 10-13-04
 Type or print name Bev Hatfield e-mail address: Beverly.hatfield@meritenergy.com Telephone No. 972 628 1630

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any):

3 - Dist 1 - Santa Fe 1 - BLM 1 - WF 1 - John 1 - Book

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO. 30 015 -05438
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LC029395B
7. Lease Name or Unit Agreement Name TURNER B
8. Well Number 50
9. OGRID Number 14591
10. Pool name or Wildcat GRB-JCKSN (7RVRS, QN, GR, SA)

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 Gas Well Other *MS*

2. Name of Operator
MERIT ENERGY COMPANY

3. Address of Operator
13727 NOEL RD., STE 500; DALLAS, TX 75240

4. Well Location
Unit Letter D : 660 feet from the NORTH line and 660 feet from the WEST line
Section 29 Township 17S Range 31E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3626 GR

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p><input checked="" type="checkbox"/> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7-20-04 MIRU PU; NU BOP; UNSET PKR; POOH W/PKR.

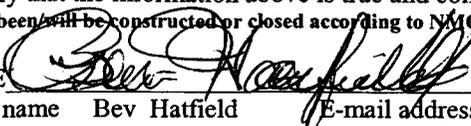
7-21-04 RIH W/RBP TO 2790' & SET. RU PMP TRUCK, TSTD TO 500 PSI, DUMPED 2 SX SAND ON TOP OF RBP. RU WL; RUN CABLE, FOUND TOP OF CEMENT @ 2250'. RIH W/PERF GUN, PERFD 4 HOLES @ 2215'. POOH W/PERF GUN, RU PMP TRUCK, ESTABLISH PMP IN RATE 2 BBLS MIN @ 200 PSI. RIH W/CMT RET AND SET @ 2150'. RD WL, TST IN HOLE W/WORKSTRING, STUNG IN AND OUT OF CMT RETAINER. SHUT WELL IN. SDON.

7-22-04 CREW DROVE TO LOCATION, HELD SAFETY MEETING, HELP RU HALLIBURTON. STING INTO CMT RET, ESTB. PMP IN RATE 2.5 BBLS/MIN.

7-26-04 PU 6-1/8 BIT AND 6 4-1/4 DC'S; RIH TO 2150', PU POWER SWIVEL, STARTED DRILLING OUT CMT RET, MADE ABOUT 1'. PUH.

8-14-04 POOH LAYING DWN PROD STRING; RU WL, MADE TWO RUNS HAD SHORT IN LINE; POOH W/WL FIXED PROB; RIH TO 2515', SET CIBP, POOH W/WL, PRESS UP ON CSG 500 PSI; HELD GOOD; RIH W/DMP BAILER, DMP 3 SX CMT ON CIBP; POOH W/WL, RD WL, SWI.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCDC guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE  TITLE Sr. Regulatory Analyst DATE 10-13-04
Type or print name Bev Hatfield E-mail address: Beverly.hatfield@meritenergy.com Telephone No. 972 628 1630

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO. 30 015 -05471
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LC065014
7. Lease Name or Unit Agreement Name FRIESS MAX M A
8. Well Number 4
9. OGRID Number 14591
10. Pool name or Wildcat GRB-JCKSN (7RVRS, QN, GR, SA)

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 Gas Well Other

2. Name of Operator
MERIT ENERGY COMPANY

3. Address of Operator
13727 NOEL RD., STE 500; DALLAS, TX 75240

4. Well Location
Unit Letter H : 1980 feet from the NORTH line and 660 feet from the EAST line
Section 30 Township 17S Range 31E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3616 GR

Pit or Below-grade Tank Application or Closure
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

OTHER:

SUBSEQUENT REPORT OF:

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

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

8-24-04 ND WH & NU BOP'S. RELEASE AD1-PKR & POOH, SET BP @ 2802', SET PKR @ 2771'. Test RBP TO 1000 psi, OK.
8-25-04 PERF SQUEEZE HOLES @ 2080'. POH, RD ELU. PU TREATIG PKR & RIH TO 1997', SET PKR, PSI BACKSIDE TO 500#, RU PMP TRUCK ON TBG & ESTB RATE: 1/2 BPM @ 1800#.
8-26-04 RU HALCO, PMP TBG CAPACITY, SET CICR @ 1988, TST CSG 500#, TEST TBG & LINES TO 3000#. ESTABLISH RATE 1 bpm @ 1675 psi, PMP 140 sx premium plus neat cmt, 14.8#/gal. Press climbed to 2300# @ 1/4 BPM, SD & HOLDING 1500#, WAIT 5 MIN & PSI TO 2100# AND HOLDING; STING OUT OF CICR & REVERSE CIRC CLEAN.
8-27-04 PU 3-7/8" BIT AND 8 3-1/8" DC'S AND RIH, TAG @ 1985'. RU POWER SWIVEL AND DRILL CMT & CICR, DRILL DWN TO 2006' CMT STILL GREEN; PU CIRC CLEAN.
8-28-04 RESUME DRILLING CEMENT 2006-2085', FELL OUT CIRC CLEAN.
8-30-04 RU TBG TESTERS. PU 4-1/2" AD-1 INJ PKR & RIH TSTG TBG TO 3000#. RAN A TOTAL OF 92 JTS. RD TSTRS, ND BOP'S LAND TBG IN WH, CIRC PKR FLUID, SET PKR. NU WH. PKR @ 2853', TST CSG TO 500# OK.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Beverly Hatfield TITLE Sr. Regulatory Analyst DATE 10-13-04
Type or print name Bev Hatfield E-mail address: Beverly.hatfield@meritenergy.com Telephone No. 972 628 1630
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO. 30 015 -05251
5. Indicate Type of Lease STATE FEE
6. State Oil & Gas Lease No. LC031844
7. Lease Name or Unit Agreement Name FREN OIL CO
8. Well Number 3
9. OGRID Number 14591
10. Pool name or Wildcat GRB-JCKSN (7RVRS, QN, GR, SA)

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 Gas Well Other

2. Name of Operator MERIT ENERGY COMPANY

3. Address of Operator 13727 NOEL RD., STE 500; DALLAS, TX 75240

4. Well Location Unit Letter K : 1980 feet from the SOUTH line and 1980 feet from the WEST line Section 19 Township 17S Range 31E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3620 GR

Pit or Below-grade Tank Application or Closure
Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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

OTHER:

SUBSEQUENT REPORT OF:

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

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

3-15-04 MIRU. POOH W/RODS & NU BOP. POOH W/TBG. RIH & SET RBP @2919', DUMPED 2 BAGS OF SAND ON RBP. POOH W/TBG. RIH & TAG RBP & RUN CBL TO 1400'. FOUND TO HAVE GOOD CMT BOND TO 1900'. CMT STARTED TO GO AWAY, BUT THERE IS CEMENT TO THE 7" CSG @ 1802'. I DO NOT THINK WE CAN GET ANY CEMENT IN. FINAL REPORT. RD.

3-16-04 CIRCULATE SD OFF THE TOP OF THE RBP, LATCH ON TO RBP POOH. RIH W/96 JTS 2-3/8" TBG & SN. RIH W/NEW PMP AND RODS. HANG WELL ON, CHECK PUMP ACTION.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines, a general permit or an (attached) alternative OCD-approved plan.

SIGNATURE Bev Hatfield TITLE Sr. Regulatory Analyst DATE 10-13-04
Type or print name Bev Hatfield Email address: Beverly.hatfield@meritenergy.com Telephone No. 972 628 1630

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO. 30 015 -20098
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No. LC029395A
7. Lease Name or Unit Agreement Name TURNER A
8. Well Number 36
9. OGRID Number 14591
10. Pool name or Wildcat GRB-JCKSN (7RVRS, QN, GR, SA)

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 [x] Gas Well [] Other []

2. Name of Operator MERIT ENERGY COMPANY

3. Address of Operator 13727 NOEL RD., STE 500; DALLAS, TX 75240

4. Well Location Unit Letter T : 1800 feet from the NORTH line and 1980 feet from the EAST line Section 19 Township 17S Range 31E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3620 GR

Pit or Below-grade Tank Application [] or Closure []
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 []

OTHER: []

SUBSEQUENT REPORT OF:

- [x] REMEDIAL WORK ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7-15-04 BLED WELL DN. UNSET PKR, NU BOP, POOH W/PKR & TBG.

7-16-04 RIH W/RBP TO 2500' SET & TSTD TO 500 PSI. RIH W/PERF GUN, PRFD 4 HOLES @ 1760'; POOH. RU UMP TRUCK, ESTABLISH PMP IN RATE. 3-1/2 BBLs MIN @ 3000 PSI. RIH W/CMT RET & SET @ 1690'.

7-19-04 CREW DROVE TO LOCATION, POOH W/KILL STRING, PU BIT AND DC'S, RIH TO 1690', TAG CMT RET, PU POWER SWIVEL, STARTED DRILLING OUT RETAINER AND CMT, FELL OUT OF CMT @ 1935', DRILLED DWN TO 1935', PUH SWI.

7-21-04 POOH AND LD WORSTRING AND DC'S, PU RETRIEVING HEAD, RIH TO 2522', CIRC SD OFF RBP, LATCHED ON AND UNSET; POOH W/TBG AND LD RBP, PU BAKER AD-1 PKR, RIH TO 2644', ND BOP, CIRC HOLE W/PKR FLUID, SET PKR 2/20 PTS TENSION, PRESSURE UP CSG TO 500 PSI FOR 30 MINS, HELD GOOD. NU WH, RETURN WELL TO PRODUCTION.

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SIGNATURE [Signature] TITLE Sr. Regulatory Analyst DATE 10-13-04
Type or print name Bev Hatfield E-mail address: Beverly.hatfield@meritenergy.com Telephone No. 972 628 1630

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO. 30 015 -05260
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No. LC031844
7. Lease Name or Unit Agreement Name FREN OIL CO
8. Well Number 12
9. OGRID Number 14591
10. Pool name or Wildcat GRB-JCKSN (7RVRS, QN, GR, SA)

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 [] Gas Well [] Other []
2. Name of Operator MERIT ENERGY COMPANY
3. Address of Operator 13727 NOEL RD., STE 500; DALLAS, TX 75240

4. Well Location Unit Letter O : 1980 feet from the EAST line and 610 feet from the SOUTH line
Section 19 Township 17S Range 31E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3616 GR

Pit or Below-grade Tank Application [] or Closure []
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 []

OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [checked] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

8-5-04 NE WH & NU BOP. UNSET PKR, POOH W/TBG & PKR. RIH TO 2714 SET RBP. TSTD RBP TO500 PSI HELD GOOD.
8-6-04 RU WL , TIH TO 1875, PERFD 4 HOLES. RIH W/PKR TO 700', SET PKR. RU PMP TRUCK, TRIED TO PMP INTO BUT COULD NOT UNSET PKR. POOH W/TBG, RIH W/WL, PERF 4 HOLES @ 1800'.
8-19-04 PU 6-1/4 BIT, BIT SUB 6 4-3/4 DC'S, COLLAR SUB AND TBG. RIH TO 178'. TAG TOC. PU SWIVEL, START DRLG ON CMT. DRILL OUT CMT. HIT RETAINER @ 1744'. DRILLED THRU RET, DRLD DWN TO 1780'.
8-23-04 RU SWIVEL, START DRILLING @ 1780. FELL OUT OF CMT @ 1859'. WENT DN TO 1903' TO CK FOR STRINGERS, CIRC HOLE CLEAN. CLOSE BOP, PRESS UP ON CSG TO 500 PSI, HELD 15 MIN. RIH TO 2700', CIRC SAND OFF RBP. LATCH ONTO RBP. UNSET RBP, POOH
8-24-04 PU BIT AND SCRAPER. RIH TO 3078' EVERYTHING WAS CLEAN, CIRC CLEAN. PU PKR, RIH W/PROD STRING TO 2765 ND BOP NU WELL HEAD, CIRC PKR FLUID, SET PKR. PRESS TEST PKR TO 500 PSI, HELD OK RD REVERSE UNIT, RD PULLING UNIT.

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District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

WELL API NO.
30 015 -05261
5. Indicate Type of Lease
STATE [] FEE []
6. State Oil & Gas Lease No.
LC031844

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 [] Gas Well [] Other []
2. Name of Operator
MERIT ENERGY COMPANY
3. Address of Operator
13727 NOEL RD., STE 500; DALLAS, TX 75240
4. Well Location
Unit Letter P : 660 feet from the SOUTH line and 710 feet from the EAST line
Section 19 Township 17S Range 31E NMPM County EDDY
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3594 GR
Pit or Below-grade Tank Application [] or Closure []
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 []
OTHER: []
SUBSEQUENT REPORT OF:
[] REMEDIAL WORK [] ALTERING CASING []
[] COMMENCE DRILLING OPNS. [] P AND A []
[] CASING/CEMENT JOB []
OTHER: []

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8-25-04 RU PU, OPEN UP WELL. POOH W/2-3/8" TBG & 4-1/2 AD-1 PKR.
8-26-04 RIH W/CBL, RAN CBL FROM 2780 TO SURF. RIH TO 1995;, SET CIBP, RIH TO 1960', PERF 4 HOLES, POOH W/GUN, RU PMP TRUCK. BUMPED PSI TO 2800', COULD NOT PUMP INTO IT. SHOT 4 HOLES @ 1820'. RU PMP TRUCK, TRIED TO ESTABLISH INJ RATE, PRESS UP TO 2600 PRI, WOULD LOSE 100 PSI IN 5 MIN. REPEATED SEVERALTIMES.
8-27-04 RIH W/WL TO SHOOT SQZ HOLE @ 1820'. RU PMP TRUCK, PUT 1500 PSI ON CSG, PRESS DROPPED 50 PSI AFTER 15 MIN. RIH W/WL & SHOOT SQZ @ 1650'. PRESS UP TO 1500 PSI. DROPPED 50 PSI AFTER 15 MIN.
9-1-04 RD PULLING UNIT

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

WELL API NO. 30 015 -05250
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No. LC031844
7. Lease Name or Unit Agreement Name FREN OIL CO
8. Well Number 2
9. OGRID Number 14591
10. Pool name or Wildcat GRB-JCKSN (7RVRS, QN, GR, SA)

SUNDRY NOTICES AND REPORTS ON WELLS
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1. Type of Well: Oil Well [] Gas Well [] Other []

2. Name of Operator MERIT ENERGY COMPANY

3. Address of Operator 13727 NOEL RD., STE 500; DALLAS, TX 75240

4. Well Location
Unit Letter N : 660 feet from the SOUTH line and 1980 feet from the WEST line
Section 19 Township 17S Range 31E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3581' GR

Pit or Below-grade Tank Application [] or Closure []
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

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PULL OR ALTER CASING [] MULTIPLE COMPL []

SUBSEQUENT REPORT OF:
[] REMEDIAL WORK [] ALTERING CASING []
[] COMMENCE DRILLING OPNS. [] P AND A []
[] CASING/CEMENT JOB []

OTHER: [] 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. 12-12-03 RIH & RUN CMT BOND LOG. PERF, SQZ HOLES @ 1960' 4 SPF. 01-06-04 PSI NEVER CIRC TO SURF. 01-07-04 RIH & SET PKR @ 1950' & CIRC TO TOP PERFS @ 1935' & 1860'. CIRC @ 15 PSI, NO PROBLEMS. RIH W/WL RETAINER. RU HALLIBURTON, PMPD 8 BBLs CLASS C CMT6, 14.8# 1BBL/MIN. Displaced, pulled out of ret and rev out 10.5 bbls, got 1/2 to 1 bbl of CMT BACK. POOH W/TBG, PU 5-1/2" ASI-X PKR & RIH & SET @ 1701'. PMPD 6 BBLs CLASS C CMT, DISPLACED W/ FRESH WATER 13 BBLs. 01-09-04 RIH W/DRILL BIT, TAGGED UP CMT @ 1750'. DRILLED OUT CMT & RET TO 1940', FELL OUT. 01-10-04 SET CMT RETAINER (2ND SQZ), RU HALLIBURTON, PMPD 50 SX CLASS C CMT @ 1/2 BBL/MIN. GOT TO HOLD PRESSURE @ 1500#, PULLED OUT CMT RET. 01-12-04 RIH W/5-1/2" DRILL BIT, TAGGED CMT @ 1812', DRILLED UP CMT AND RETAINER. FELL OUT OF CMT @ 1872'. CLOSED BOP, TESTED CSG TO 550 PSI. HELD PRESS FOR 15 MIN. POOH W/TBG. SDFN. 01-13-04 POOH AND PERF 1729 TO 1735'. 6' 24 TO 1768' to 1722'. 4' 16 holes 1792 - 1796'. 4' 8 holes 1799' to 1801'. 2' 8 holes, 1810 to 1812 2' 8 holes, 1820 to 1822' 2' 8 holes, 1873-1875 2 holes, 1921-1925 4' 8 16 holes, 1933-1937', 4' 16 holes, 1949-1954' 5' 20 holes, 1968-1972' 4' 16 holes, SD POOH w/WL SWI. 01-14-04 RIH W/5-1/2" PKR & SET @ 1623'. RU CUDD PUMPING SERV. START ON ACID 5 BBLs/MIN. PMPD A TOTAL OF 2000 GALS 15% ACID AND DROPPED 1500# ROCK SALT, FLOWED BACK TO PIT, SD. 01-15-04 RIH W/TBG AND RODS & PMP.

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