State of New Mexico Form C-103 Submit 3 Copies To Appropriate District Office Energy, Minerals and Natural Resources Revised March 25, 1999 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30-015-20797 District II OIL CONSERVATION DIVISION 811 South First, Artesia, NM 87210 5. Indicate Type of Lease 2040 South Pacheco District III STATE FEE X 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 2040 South Pacheco, Santa Fe, NM 87505 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name: (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.) Merland C Com RECEIVED 1. Type of Well: Oil Well Gas Well X Other JUN 2 3 2004 8. Well No. 2. Name of Operator OCD:ARTEQ OXY USA WTP Limited Partnership 192463 3. Address of Operator 9. Pool name or Wildcat P.O. Box 50250 Midland, TX 79710-0250 Carlsbad Morrow. South 4. Well Location 1980 north Unit Letter feet from the feet from the line and line Township Range **NMPM** County Eddy 10. Elevation (Show whether DR, RKB, RT, GR. etc.) 3151' 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON **REMEDIAL WORK ALTERING CASING CHANGE PLANS TEMPORARILY ABANDON** COMMENCE DRILLING OPNS. **PLUG AND ABANDONMENT CASING TEST AND PULL OR ALTER CASING MULTIPLE** CEMENT JOB COMPLETION OTHER: \mathbf{X} OTHER: Cut & Pull Csq. Plugback. Run MIT & TA 12. 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 recompilation. See other side I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE_ _TITLE Sr. Regulatory Analyst Type or print name David Stewart Telephone No. 432-685-5717 (This space for State use)

APPROVED BY

Conditions of approval, if any:

MERLAND C COM NO. 1

05/25/2004 CMIC: Davis

MIRU KEY plugging crew #93 Bled down csg. Killed well and NDWH NU BOP. Rackied and tallied

workstring. SION

05/26/2004 CMIC: Davis

Killed well with 100 its and 246 its in hole. RIH w/ tbg to 10317'. SION

05/27/2004 CMIC: Davis

Bled well down CH w/ 200 bbls 10# had drilling mud in returns. Spotted salt gel ahead of 25 sxs cmt. LD 24 its tbg. POOH w/ tbg. Started conditioning well head bolt to NDWH and spear 5-1/2. SION

05/28/2004 CMIC: Davis

2100# SICP on intermediate casing. RU Prowireline opened well on 20/64 choke @ 1821 MCFPD. Opened well to full open @ 5:00 MST @ 1086 MCFPD. @ 6:00 well drop to 279 MCFPD flowed well through the rest of the night from 150 MCFPD down

to 50 MCFPD.

05/29/2004 CMIC: gary henrich

Loaded 5-1/2 casing w/ 65 bbls 10# brine well would not circulate up 5-1/2 annulus. Loaded 5-1/2 annulus broke circulatijon. CHC w/ 600 10# brine. SI till Tuesday.

05/30/2004 CMIC: gary henrich

SI till Tuesday

06/02/2004 CMIC: gary henrich

5-1/2 annulus SICP 200#. Pumped 100 bbls brine down 5-1/2 annulus and 40 bbls brine inside 5-1/2.

Had had slight blow on 5-1/2 annulus. SI well and ordered 11# plugging.

06/03/2004 CMIC: gary henrich

Unloaded plug mud. Pumped 100 bbls down 5-1/2 annulus and 30 bbls down 5-1/2. ND BOP Speared csg and RU csg jacks and worked csg out of casing head. NU BOP POOH LD 4 its csg. SION

06/04/2004 CMIC: gary henrich

Finished POOH LD 9156' of 5-1/2 csg. SION

06/07/2004 CMIC: gary henrich

Changed BOP rams and RIH w/ 2-3/8 muleshoe on 2-7/8 tbg tagged top of csg @ 9156' could not work into casing. Contacted NMOCD rep Jerry Guy received verbal approval to pump 60 sxs plug @ 9156'. POOHw/ tbg will tag Monday.

06/08/2004 CMIC: gary henrich

RIH tag cmt @ 8947'. POOH to 8673' spotted 50 sxs cmt. POOH w/ tbg WOC. RIH tag cmt @ 8540'.

POOH w/ tbg

06/09/2004 CMIC: gary henrich

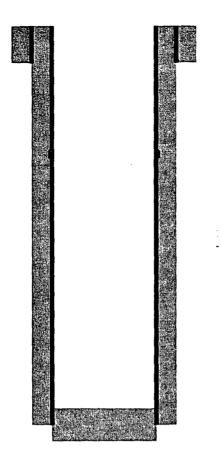
POOH w/tbg to 7150' spotted 50 sxs cmt instead of 70 sxs accord to procedure w/ verbal permission from NMOCD rep Phil Hawkins. POOH to 5314 spotted 65 sxs cmt. POOH w/ tbg. SION

06/10/2004 CMIC: gary henrich

O# SICP RIH tag plug @ 5160'. CH w/ brine water. POOH LD workstring ND BOP NUWH and loaded csg and pressured up csg to 520 fell to 500 after 30 min. NMOCD notified but did not witness. RDMO Reviewed plug procedure with NMOCD reps Jerry Guy, and Phil Hawkins.

ANDS AS MUL

OXY USA WTP LP - Current MERLAND C #1 API No. 30-015-20797



17-1/2" hole @ 340' 13-3/8" csg @ 340' w/400sx-TOC-Surf-Circ

12-1/4" hole @ 5264' 9-5/8" csg @ 5264' DV Tool @ 1662' 1st w/1300sx-TOC-1660'-TS 2nd w/1260sx-TOC-Surf-Circ

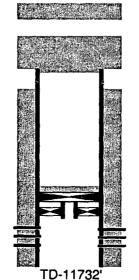
65sx @ 5314-5160'

50sx @ 7150-7050'

50sx @ 8673-8540'

60sx @ 9156-8947' Cut & Pull 5-1/2" csg @ 9156'

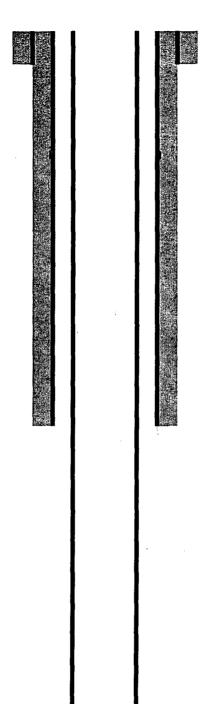
1/6/04-CIBP @ 10952' w/ 4sx cmt Mod DB Pkr @ 11042'



8-3/4" hole @ 11732' 5-1/2" csg @ 11732' w/700sx-TOC-9460'-TS

Morrow Perfs @ 11245-11525'

OXY USA WTP LP - Original MERLAND C #1 API No. 30-015-20797



TD-11732

17-1/2" hole @ 340' 13-3/8" csg @ 340' w/400sx-TOC-Surf-Circ

12-1/4" hole @ 5264' 9-5/8" csg @ 5264' DV Tool @ 1662' 1st w/1300sx-TOC-1660'-TS 2nd w/1260sx-TOC-Surf-Circ

Bad csg @ 9201-9216'

8-3/4" hole @ 11732' 5-1/2" csg @ 11732' w/700sx-TOC-9460'-TS

Morrow Perfs @ 11245-11525'

1/6/04-CIBP @ 10952' w/ 4sx cmt Mod DB Pkr @ 11042'

