

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 20813
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. K 3200
7. Lease Name or Unit Agreement Name STATE Q COM.
8. Well Number 1
9. OGRID Number 014591
10. Pool name or Wildcat HAPPY VALEY

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 checked="" type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Merit Energy Company	
3. Address of Operator 13727 NOEL RD., STE. 500; DALLAS, TX 75240	
4. Well Location Unit Letter <u>L</u> : <u>2235</u> feet from the <u>SOUTH</u> line and <u>660</u> feet from the <u>WEST</u> line Section <u>34</u> Township <u>21S</u> Range <u>26E</u> NMPM County <u>EDDY</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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:		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"/>	
OTHER: <u>Commingle per DHC 3275</u> <input checked="" type="checkbox"/>		OTHER: <input 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 1) COMPLY W/ALL COMPANY & GOVERNMENT SAFETY & ENVIRONMENTAL REGULATIONS.
- 2) RU PU; ND WH; NU BOP; SET STANDING VALVE; RIH W/TBG PUNCH & SHOOT HOLES IN BTM JT ABOVE PKR. SWB.
- 3) UNSEAT LOWER BAKER FA RETRIEVABLE PKR & POOH; RIH W/NEW PKR & SET AT +/- 9820'; BOTH ZONES (HAPPY VALLEY - STRAWN (GAS 78070) AND HAPPY VALLEY-MORROW (GAS-78060) PER DHC 3275 ARE NOW OPEN.
- 4) PUT ON PRODUCTION.

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 REGULATORY ANALYST DATE 7-2-04

Type or print name BEV HATFIELD E-mail address: beverly.hatfield@meritenergy.com Telephone No. 972 628 1630
For State Use Only

APPROVED BY: FOR RECORDS ONLY TITLE _____ DATE JUL 2 0 2004
Conditions of Approval (if any):

1-Blm - 3-OCD { HwF 1-Book 1-Sundown } approved copy.