

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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

2. Name of Operator
Merit Energy Company

3a. Address
13727 Noel Road, Suite 500, Dallas, Texas 75240

3b. Phone No. (include area code)
972-628-1610

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit E, 2310' FNL & 990' FWL, Sec. 35, T-18-S, R-31-E

5. Lease Serial No.
NM-10190

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
East Sugart Unit Well No. 12

9. API Well No.
30-015-05694

10. Field and Pool, or Exploratory Area
Sugart (Y-SR-Q-G)

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

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 recompleat 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 recompleat 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.)

12/16/2005 - MIRU B. W. S. #1. Set 40 bbl containment pit & pumps. Flow well down, NDWH, NU BOP/Enviro. pot. Lay down 14 jts 2-7/8 tbg. Secure well. SDFN.
12/17/2005 - Open well. RU Black Warrior Wireline. RIH W/5.73 Gauge ring to 1177'. Gauge Ring, could not get deeper. RD Wireline. TIH w/6-1/8 bit, bit sub, X-over, and tbg. Bit tagged solid @ 1187' tbg tally. Rotate tbg w/tongs, could not get deeper. TOOH, secure well, Shut down for repair.
12/20/2005 - Open well. TOOH w/bit, subs & tbg. TIH w/tbg EOT @ 2718'. Secure well. SOFN.
12/22/2005 - Open well. LD 4 jts tbg. Take off BOP. NUWH, RD, Move off. Waiting on cementers. EOT @ 2580.63
12/23/2005 - MIRU BWS #1. NU BOP W/Enviro Pot. Set 40 bbl pit. Secure well. SD.
12/26/2005 - Open well. Well flowing 1 bbl every 5 minutes. RU Halliburton w/eot @ 2600' Pump 50 sxs Class C w/2% KCL balanced plug. TOH w/eot @ 1200' reverse out. WOC for 3 hrs. TIH w/tbg, tag TOC @ 2335'. TOH W/EOT @ 2276' Prepare to pump 20 sx plug. Tbg plugged, replaced tbg. TIH w/ tbg EOT @ 2278'. Pump 20 sxs Class C W/2% KCL. TOH W/EOT @ 1200'. Reverse out. SDFN.
12/27/2005 - Open well. TIH W/Tbg. Tag Plug @ 2179'. TOH W/tbg. Test 7" csg to 700 psi. Test good. RU Jarrell Wireline. Shoot 4 holes form 900-901. NDBOP, NU 5-1/2 8RD Flange on well-head. RU Halliburton. Establish rate of 3 BPM @ 450 psi. Pump 20 BBL F.W. Spacer. Circ cement surface with 265 sxs Class C W/2%. ND Flange. RD BWS. Move off all tubing & aux equipment. Dig out cellar to 3' below braden head. Will make cut & dry hole marker on 12/28/2005.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Larry M. Sanders

Title Sr. Regulatory Analyst

Signature

Larry M. Sanders

Date

01/05/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DAVID E. CLARK

PETROLEUM ENGINEER

Date

JAN 26 2006

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.

Office

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.

(Instructions on page 2)

Approved as to plugging of the well bore
liability under bond is retained until
surface restoration is completed.