

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
AUG 18 2009

OCED-ARTESIA FORM APPROVED
OMB No 1004-0137
Expires: July 31, 2010

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 page 2.

1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5 Lease Serial No. LC-029426-B
2 Name of Operator Merit Energy Company		6 If Indian, Allottee or Tribe Name
3a Address 13727 Noel Rd Suite 500 Dallas, Texas 75240	3b Phone No (include area code) 972-628-1569	7 If Unit of CA/Agreement, Name and/or No
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 860' FWL Sec. 9-T17S-R31E		8 Well Name and No H E West B 035
		9 API Well No. 30-015-25993
		10 Field and Pool or Exploratory Area Grayburg-Jackson
		11 Country or Parish, State Eddy

12. CHECK THE 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 checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input checked="" 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

MIRU PU. ND WH. NU BOPE. POOH w/rods LD. Unseat TA' & POOH w/production tbg. LD. MIRU reverse unit. PU. RIH w/tapered mill and 6-3-1/2" DC's on 2-3/8" workstring. Mill from +/- 3450' past collapsed csg. to TD (3815'). MIRU WL. Correlate to CBL dated 10/19/88. Perforate 4 spf @ the following intervals: 3216'-22'; 3251'-52'; 3255'-58'; 3341'-43'; 3430'-31'; 3437'-39'; 3509'-11'; 3663'-65' & 3687'-90'. RD WL. PU & RIH w/5-1/2" Baker Hornet injection pkr. on 2-3/8" IPC tbg. testing in. Set injection pkr. +/- 50' above perforations. MIRU Service Company. Acidize well. Record ISIP, 5, 10 & 15 min. pressures. RD MO Service Company. Flow back & swab back acid. ND BOPE. Install injection wellhead. RD MO PU. Install fiberglass injection lines to well. Remove pumping unit. Perform MIT. If successful turn well to injection.

Bury 1800' 2" fiberglass injection line from West B 35 to the West B 95.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14 I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Lynne Moon
Title Regulatory Manager
Signature *Lynne Moon* Date 06/25/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	APPROVED AUG 13 2009 <i>[Signature]</i> WESLEY W. INGRAM PETROLEUM
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

**H E West B 035
30-015-25993
Merit Energy Company
August 13, 2009
Conditions of Approval**

Operator completed conversion to injection prior to receiving BLM approval.

- 1. Surface disturbance beyond the existing pad must have prior approval.**
- 2. Test BOP.**
- 3. Based on order R-10663-B, the operator is to notify NMOCD of any failure of the tubing, casing or packer in this injection well. This Notice of Intent sundry states that Merit Energy Company will mill past collapsed casing at +/- 3450'. In the documentation that BLM received with the NMOCD application forms, there is no mention of collapsed casing. Operator to submit plan as to what action will be or was taken regarding this collapsed casing.**
- 4. No injection will take place until the issue with the collapsed casing is resolved.**
- 5. MIT to be witnessed.**

WWI 081309