

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Permit 120539

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NUMBER 30-025-39879
1. Type of Well: O		5. Indicate Type of Lease S
2. Name of Operator MERIT ENERGY COMPANY, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 13727 NOEL ROAD SUITE 500, DALLAS, TX 75240		7. Lease Name or Unit Agreement Name FANNING B
4. Well Location Unit Letter <u>A</u> : <u>990</u> feet from the <u>N</u> line and <u>330</u> feet from the <u>E</u> line Section <u>33</u> Township <u>23S</u> Range <u>37E</u> NMPM Lea County		8. Well Number 002
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3294 GR.		9. OGRID Number 14591
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 _____		10. Pool name or Wildcat

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 OF PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
CASING/CEMENT JOB ☐
Other: **Drilling/Cement** ☒

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.

8/27/2010 - DRILL 12-1/4" TO 1127'. RAN 27 JTS OF 8-5/8" 32# J-55 CSG. CEMENT W/ 575 SX CLASS C. WOC 8HRS

8/28/2010 - 9/15/2010 - NIPPLED UP BOP AND DRILL 7-7/8" HOLE FROM 1127' TO 6425' TD.

9/15/2010 - RIG UP CASING CREW & RAN 143 JTS. OF 4-1/2" 11.60# J-55 CASING SET @ 6420', CEMENT W/1100 SX 50/50 POZ:C WOC 24 HRS. 8/27/2010 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
08/27/10	Surf	FreshWater	12.25	8.63	32	J-55	0	1127	575		C				N
09/15/10	Prod	FreshWater	7.875	4.5	11.6	J-55	2355	6420	1100		50/50 POZ:				N

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 Electronically Signed

TITLE Regulatory Administrator

DATE 9/29/2010

Type or print name Lynne Moon

E-mail address lynne.moon@meritenergy.com

Telephone No. 972-628-1569

For State Use Only:

APPROVED BY: Paul Kautz

TITLE Geologist

DATE 9/30/2010 1:34:32 PM