

PAUL BACA PROFESSIONAL COURT REPORTERS

**OIL
CONSERVATION**

CASE NO: 14187

EXHIBIT

1-17

500 4TH STREET NW, SUITE 105, ALBUQUERQUE, NEW MEXICO 87102

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

IN THE MATTER OF THE
APPLICATION OF MERIT
ENERGY COMPANY TO EXPAND
WATERFLOOD PROJECT, EDDY COUNTY

Case No. 14,187

MERIT ENERGY EXHIBITS

MERIT ENERGY

OCD CASE NO. 14187 – HEARING EXHIBITS

- 1 - APPLICATION FOR J.L. KEEL B # 77 WELL
- 2 - APPLICATION FOR H.E. WEST B #35 WELL
- 3 - APPLICATION FOR J.L. KEEL B #57 WELL
- 4 - K. HODGE EMAIL TO W. INGRAM OF BLM AND W. JONES OF OCD
- 5 - DIVISION ORDER NO. R-2268
- 6 - DIVISION ORDER NO. R-2268-A
- 7 - DIVISION ORDER NO. R-2268-B
- 8 - DIVISION ORDER NO. R-2268-C
- 9 - ADMINISTRATIVE ORDER NO. WFX-709
- 10 - DIVISION ORDER NO. R-10663
- 11 - MAP OF WELLS IN AREA OF REVIEW
- 12 - AFFIDAVITS OF PUBLICATION
- 13 - CERTIFIED LETTERS NOTIFYING INTEREST OWNERS OF HEARING
- 14 - TYPE LOG (Keel B 77; Keel B 57; West B 35)
- 15 - DIP CROSS
- 16 - STRIKE CROSS
- 17 - DECLINE CURVE

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No

II. OPERATOR: Merit Energy Company

ADDRESS: 13727 Noel Rd Ste 500 Dulles, TX 75240

CONTACT PARTY: Justin Findley PHONE: 972-628-1493

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Kristin Hodge TITLE: Regulatory Analyst

SIGNATURE: Kristin Hodge DATE: 6/13/08

E-MAIL ADDRESS: Kristin.Hodge@meritenergy.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Attachment III

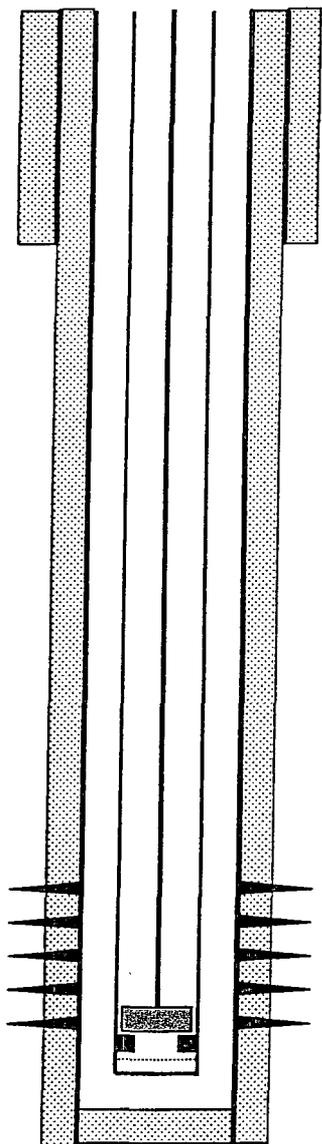
Well Data

- A. (1) J.L Keel B 77
1,930' FNL & 714' FEL
Unit H
Section 8, T-17-S R-31-E
Eddy, New Mexico
- (5) Casing Data: Also see well bore schematic
Surface: 8 5/8" set @ 532' in a 12 1/4" hole, cmt. with 180sx PSL & 200sx PSL class "C" to surf, determined by CBL
Producing: 5 1/2" set @ 3,999' in a 7 7/8" hole, cmt with 500sx PSL class "C", 1,200sx class "C" & 300sx class "H" to surf, determined by CBL
Liners: None
- (6) Tubing: 2 7/8", 6.5#, J-55, 8rd EUE set @ 3,934'
- (7) Packer: None
- B. (1) Original Purpose of well: The well was originally drilled, completed (8/23/95) and tested as a producer from perforations 3,091' – 3,820' (oil)
- (2) Injection Interval: The injection interval is to be from 3,091' – 3,820'
- (3) Injection Formation: the injection formation will be the Grayburg to the Jackson from 3,091' – 3,820'
- (4) Higher/Lower Oil Zones: There are no other completed zones in this well.

DEVON ENERGY CORPORATION WELLBORE SCHEMATIC

WELL NAME: J.L. KEEL "B" #77		FIELD: GRAYBURG-JACKSON	
LOCATION: 1930' FNL & 714' FEL, SEC 8-T17S-R31E		COUNTY: EDDY	STATE: NM
ELEVATION: GL=3845'; KB=3853'		SPUD DATE: 08/02/95	COMP DATE: 08/23/95
API#: 30-015-28279	PREPARED BY: C.H. CARLETON		DATE: 08/07/01

	DEPTH	SIZE	WEIGHT	GRADE	THREAD	HOLE SIZE
CASING:	0' - 532'	8 5/8"	24#	J-55	ST&C	12 1/4"
CASING:	0' - 3999'	5 1/2"	15.5#	J-55	LT&C	7 7/8"
CASING:						
TUBING:	0' - 3934'	2 7/8"	6.5#	J-55	EUE 8rd	
TUBING:						



CURRENT PROPOSED

OPERATOR: DEVON ENERGY CORPORATION (NEVADA)

8 5/8" CASING @ 532' W/380 SXS. CEMENT TO SURFACE.

DETAIL OF PERFORATIONS

- U.GRAYBURG: 3091', 93', 3114'
- LOCO HILLS: 3161', 63', 65'
- METEX: 3200', 02', 18', 29', 31'
- L.GRAYBURG: 3256', 58', 83'
- PREMIER: 3300', 09', 14', 25'
- VACUUM: 3378', 83', 3437'
- LOVINGTON: 3454', 58', 60', 76'
- M.JACKSON: 3630', 32', 34', 91', 3704', 06', 27', 35', 40', 47', 51', 53', 55'
- L.JACKSON: 3774', 3816', 20'

PERFORATIONS: 3091'- 3820'(OA) - 41 HOLES

- SEAT NIPPLE @ 3929'
- TAC @ 3022
- PBTD @ 3952'
- 5 1/2" CASING @ 3999' W/2000 SXS. CEMENT TO SURFACE.
- TD @ 4000'

Attachment VII

Proposed Operation

1. Average daily injection rate: 200 BWPD
Maximum daily injection rate: 400 BWPD
2. Type of system: Open
3. Average injection pressure: 1,900 psi
Maximum injection pressure: 2,100 psi
4. Source of injection water: Re-injection the wells produced water
5. N/A

Attachment VIII

Lithology – Dolomite

Geologic Name – Grayburg Jackson, (Loco Hills, Metex, Lower Grayburg, Premier, Vacuum, Lovington, Upper Jackson, Middle Jackson, Lower Jackson

Thickness – Gross footage 800', net 20' – 80'

Depth – 3,000' – 3,820'

Water Information – N/A

Attachment IX

Please see attached stimulation program.

Attachment X

Included in this packet is a copy of a scanned Neutron Log.

Attachment XI

There is no fresh water around this area.

Attachment XII

This is not an application for a disposal well, so no affirmative statement is needed.

Date: April 28, 2008
Well: Keel B #77
API: 30-015-28279
Field: Grayburg-Jackson
Location: 1930'FNL & 714'FEL, SEC 8-T17S-R31E
Eddy County, NM
Formation: Grayburg-Jackson
Elevation: GL = 3,845'
KB = 3,853'
PBTD = 3,952'
TD = 4,000'
Engineer: Justin Findley

Subject: Injection Conversion

CURRENT WELLBORE:

Tubing: 2-7/8" 6.5# J-55 EUE 8rd 0'-3,062' (98 jts)
Casing: 5-1/2" 15.5# J-55 LT&C 0 - 3,999' cemented w/2000 sx. TOC @ surface
8-5/8" 24# J-55 ST&C 0 - 532'
TAC: 3,022'
SN: 3,929'
Perforations: Current gross interval (3,091' - 3,820')
See well-bore schematic for details.

Procedure

1. MIRU pulling unit. POOH w/rods and pump. NU BOP with 2-7/8" pipe rams on top.
2. Tag PBTD and strap out.
3. MIRU wireline unit. RIH w/CCL and log 3000' to 4000' and correlate with **Wedge Wireline RAL date 8/16/1995.**
4. TIH w/3.125" slick gun (38.87" penetration, 0.40" entry hole, 90 degree phasing) and perforate the following zones at the specified shot density:

4 SPF 3,091' - 3,093'
4 SPF 3,161' - 3,165'
4 SPF 3,201' - 3,203'
4 SPF 3,256' - 3,258'
4 SPF 3,283' - 3,284'
4 SPF 3,458' - 3,460'
4 SPF 3,631' - 3,634'

4 SPF 3,745' - 3,746'
4 SPF 3,750' - 3,752'
4 SPF 3,755' - 3,756'

(665' Gross, 20' Net, 120 shots)

5. POOH, record any fluid level change and guns for misfires. RDMO wireline unit.
6. Pick up 5-1/2" Baker AD-1 packer on 2-3/8" IPC tubing, TIH while hydro-testing. Set packer at +/- 3,030' (61' above top perf). Load and pressure test annulus to 500 psig. Pick up swabbing tools, swab for entry and monitor fluid levels while swabbing back. RD swabbing tools.
7. MIRU acid company and rig up. Pressure test and hold 500# on annulus with pump truck. Pressure test lines to 3000 psig with maximum treating pressure established 2,500 psig.
8. Establish injection rate and pressure into perforated interval from 3,091' to 3,756' with 2% KCl followed by 3,000 gallons of solvent that is 90% by volume 15% HCL and 10% by volume toluene along with 6,000# of rock salt to divert. .

15% HCL	2700 gal
Toluene	300 gal
Clay Stabilizer	
ACI-166	3.75 gal
NE-116	7.5 gal
NE-122	7.5 gal
FE Reducer	14.75 gal
Rock Salt	8,000 lbs

9. RDMO treating company.
10. Return well to injection.

Contacts

Operations Manager:	David Hertel	(806) 229-6300 - Office
Foreman:	Jackey Williams	(806) 789-5718 - Cell
Region Manager:	Cruz Abila	(972) 628-1552 - Office
Ops. Engineer:	Justin Findley	(972) 628-1493 / (214) 577-9784

J.L. Keel B 77

Attachment VI

Well Name	Location	Spud Date	Completion Date	Type of Well	Depth	Completion Record	Current
H.E. West B 10	1980' FNL & 660' FWL Sec 9, T-17-S; R-31-E	2/23/1953	4/9/1953	Injection	3,623'	8 5/8" @ 642' w/ 100sx TOC 480' 7" @ 3,097' w/ 200sx TOC 1700' 2 1/2" @ 3,300' Perfs @ 3,204' - 3,313'	8 5/8" @ 642' w/ 100sx 7" @ 3,097' w/ 200sx 4 1/2" @ 3,010' 4 1/2" @ 3,612' 2 3/8" @ 2,978' Cmt retainer @ 3,599' Perfs @ 3,085' - 3,588'
H.E. West B 35	1980' FSL & 860' FWL Sec 9, T-17-S; R-31-E	10/5/1988	11/10/1988	Oil	3,815'	8 5/8" @ 460' w/ 400sx TOC surf 5 1/2" @ 3,815' w/ 300sx TOC surf Cmt retainer @ 3,721' Perfs @ 3,791' - 3,212'	8 5/8" @ 488' w/ 350sx TOC surf 5 1/5" @ 3,868' w/ 1150sx TOC surf 2 3/8" @ 3,738' Perfs @ 3,212' - 3,707'
H.E. West B 39	1980' FNL & 1980' FWL Sec 9, T-17-S; R-31-E	12/13/1988	1/26/1989	Injection	4,000'	8 5/8" @ 550' w/ 380sx TOC surf 5 1/2" @ 4,089' w/ 975sx TOC surf 2 7/8" @ 3,943 Perfs @ 3,144' - 3,888'	8 5/8" @ 550' w/ 380sx 5 1/2" @ 4,089' w/ 975sx 2 3/8" @ 3,053' Perfs @ 3,212' - 3,525' CIPB @ 3,600
H.E. West B 78	510' FNL & 660' FWL Sec 9, T-17-S; R-31-E	11/3/1995	12/7/1995	Injection	4,090'	8 5/8" @ 539' w/ 380sx TOC surf 5 1/2" @ 4,304' w/ 1090sx TOC surf 2 7/8" @ 3,747' Perfs @ 3,144' - 3,888'	8 5/8" @ 539' w/ 380sx 5 1/2" @ 4,304' w/ 1090sx 2 7/8" @ 3,747' Perfs @ 3,123' - 4,099'
H.E. West B 80	1410' FSL & 193' FWL Sec 9, T-17-S; R-31-E	11/25/1995	1/12/1996	Oil	4,305'	8 5/8" @ 551' w/ 380sx TOC surf 5 1/2" @ 4,344' w/ 1945sx TOC surf 2 7/8" @ 3,943' Perfs @ 3,172' - 3,882'	8 5/8" @ 551' w/ 380sx 5 1/2" @ 4,344' w/ 1945sx 2 7/8" @ 3,551' Perfs @ 3,172' - 3,882'
H.E. West B 88	1390' FNL & 1310' FWL Sec 9 T-17-S; R-31-E	11/10/1995	12/21/2001	Oil	4,345'	8 5/8" @ 513' w/ 450sx TOC surf 5 1/2" @ 4,269' w/ 1300sx TOC 2 7/8" @ 4,161' Perfs @ 3,123' - 4,099'	8 5/8" @ 513' w/ 450sx 5 1/2" @ 4,269' w/ 1300sx 2 7/8" @ 4,161' Perfs @ 3,123' - 4,099'
H.E. West B 89	2552' FSL & 75' FWL Sec 9, T-17-S; R-31-E	7/24/1995	9/27/1995	Oil	4,270'	8 5/8" @ 513' w/ 450sx TOC surf 5 1/2" @ 4,269' w/ 1300sx TOC 2 7/8" @ 4,161' Perfs @ 3,123' - 4,099'	8 5/8" @ 513' w/ 450sx 5 1/2" @ 4,269' w/ 1300sx 2 7/8" @ 4,161' Perfs @ 3,123' - 4,099'

H.E. West B 90	2570' FSL & 1356' FWL Sec 9 T-17-S; R-31-E	11/18/1995	1/8/1996 Oil	4,335'	8 5/8" @ 567' w/ 380sx TOC surf 5 1/2" @ 4,352' w/ 1260sx TOC surf 2 7/8" @ 3,941' Perfs @ 3,160' - 3,892'	8 5/8" @ 567' w/ 380sx 5 1/2" @ 4,352' w/ 1260sx 2 7/8" @ 3,941' Perfs @ 3,160' - 3,892'
J.L. Keel B 6	1980' FNL & 1980' FWL Sec 8, T-17-S; R-31-E	3/19/1951	5/3/2021 Injection	3,800'	10 3/4" @ 556' w/ 200sx TOC 30' 7" @ 2,856 w/ 200sx TOC 2360' 2 1/2" @ 3,013' Perfs @ 3,003' - 3,013'	10 3/4" @ 594' w/ 100sx 7" @ 3,019' w/ 200sx 4 1/2" @ 3,812' w/ 390sx TOC surf 2 3/8" @ 2,971' Perfs @ 3,018' - 3,588' CIBP @ 3,610' set above perf @ 3,799'
J.L. Keel B 10	660' FNL & 1980' FEL Sec 8, T-17-S; R-31-E	8/15/1951	9/25/1951 Injection	3,813'	10 3/4" @ 594' w/ 100sx TOC 300 7" @ 3,019' w/ 200sx TOC 2972 2" @ 3,120' Perfs @ 3,019' - 3,127'	10 3/4" @ 662' w/ 100sx 7" @ 3,036' w/ 200sx 5" @ 2,937' - 3,730' w/ 150sx @ liner top 2 3/8" @ 3,019' Perfs @ 3,066' - 3,608' CIBP @ 3,635' set above perf @ 3,720'
J.L. Keel B 12	660' FNL & 660' FEL Sec 8, T-17-S; T-31-E	10/17/1952	12/26/1952 Injection	3,737'	10 3/4" @ 662' w/ 100sx TOC 310' 7" @ 3,036' w/ 200sx TOC 2080' 2" @ 3,150' Perfs @ 3,145' - 3,441'	8 5/8" @ 654' w/ 100sx 7" @ 3,059' w/ 200sx 4 1/2" @ 3,727' w/ 450sx TOC surf 2 3/8" @ 2,969' Perfs @ 3,050' - 3,720'
J.L. Keel B 14	660' FSL & 660' FEL Sec 5, T-17-S; R-31-E	2/2/1952	4/18/1952 Injection	3,728'	8 5/8" @ 654' w/ 100sx TOC 180' 7" @ 3,059' w/ 200sx TOC 1200' 2 1/2" @ 3,397' Perfs @ 3,140' - 3,390'	8 5/8" @ 654' w/ 100sx 7" @ 3,059' w/ 200sx 4 1/2" @ 3,727' w/ 450sx TOC surf 2 3/8" @ 2,969' Perfs @ 3,050' - 3,720'

J.L. Keel B 25	1980' FSL & 517' FWL Sec 8, T-17-S; R-31-E	4/7/1957	6/1/1957 Injection	3,600'	10 3/4" @ 567' w/ 100sx 7" @ 3,060' w/ 100sx TOC 2285' 2 3/8" @ 2,674' Perfs @ 3,060' - 3,192'	10 3/4" @ 567' w/ 100sx 7" @ 3,060' w/ 100sx 4 1/2" @ 3,600' w/ 475sx TOC surf 2 3/8" @ 2,674' Perfs @ 2,756' - 3,548'
J.L. Keel B 27	1980' FSL & 1980' FEL Sec 8, T-17-S; R-31-E	10/3/1964	11/9/1964 Oil	3,737'	8 5/8" @ 560' w/ 370sx TOC surf 5 1/2" @ 3,725' w/ 325sx TOC 1240' 2 7/8" @ 3,479' Perfs @ 3,064' - 3,724'	8 5/8" @ 560' w/ 370sx 5 1/2" @ 3,725' w/ 325sx 2 7/8" @ 3,637' Perfs @ 2,952' - 3,722'
J.L. Keel B 46	660' FSL & 660' FEL Sec 8, T-17-S; R-31-E	4/23/1989	5/31/1989 Oil	3,751'	8 5/8" @ 387' w/ 300sx TOC surf 5 1/2" @ 3,751' w/ 1700sx TOC surf 2 7/8" @ 3,569' Perfs @ 3,050' - 3,674'	8 5/8" @ 387' w/ 300sx 5 1/2" @ 3,751' w/ 1700sx 2 7/8" @ 3,569' Perfs @ 3,050' - 3,674'
J.L. Keel B 57	1980' FSL & 580' FEL Sec 8, T-17-S; R-31-E	1/8/1995	2/5/1995 Oil	3,985'	8 5/8" @ 424' w/ 500sx TOC surf 5 1/2" @ 3,983' w/ 1325 sx TOC 480' 2 7/8" @ 3,526' Perfs @ 3,029' - 3,899' CIBP @ 3,568' set above perf @ 3,586'	8 5/8" @ 424' w/ 500sx 5 1/2" @ 3,983' w/ 1325 sx 2 7/8" @ 3,526' Perfs @ 3,029' - 3,899' CIBP @ 3,568' set above perf @ 3,586'
J.L. Keel B 74	338' FNL & 1455' FEL Sec 8, T-17-S; R-31-E	8/1/1995	9/11/1995 Oil	4,235'	8 5/8" @ 464' w/ 500sx TOC surf 5 1/2" @ 4,234' w/ 1350sx TOC surf 2 7/8" @ 4,099' Perfs @ 3,130' - 4,022'	8 5/8" @ 464' w/ 500sx 5 1/2" @ 4,234' w/ 1350sx 2 7/8" @ 4,099' Perfs @ 3,130' - 4,022'
J.L. Keel B 75	1274' FNL & 2456' FEL Sec 8, T-17-S; R-31-E	7/25/1995	9/9/1995 Oil	4,160'	8 5/8" @ 480' w/ 500sx TOC surf 5 1/2" @ 4,159' w/ 1775sx TOC surf 2 7/8" @ 4,006' Perfs @ 2,994' - 3,925'	8 5/8" @ 480' w/ 500sx 5 1/2" @ 4,159' w/ 1775sx 2 7/8" @ 4,006' Perfs @ 2,994' - 3,925'
J.L. Keel B 76	3020' FNL & 1980' FEL Sec 8, T-17-S; R-31-E	3/24/1995	8/12/1995 Injection	3,907'	8 5/8" @ 470' w/ 350sx TOC surf 5 1/2" @ 3,906' w/ 1250 sx TOC surf 2 7/8" @ 3,818' Perfs @ 3,079' - 3,748'	8 5/8" @ 470' w/ 350sx 5 1/2" @ 3,906' w/ 1250 sx 2 3/8" @ 2,985' Perfs @ 3,079' - 3,559' CIBP @ 3,612' set above pers @ 3,624'

J.L. Keel B 77	1930' FNL & 714' FEL Sec 8, T-17-S; R-31-E	8/2/1995	8/23/1995 Oil	4,000'	8 5/8" @ 532' w/ 380sx TOC surf 5 1/2" @ 3,999' w/ 2000 sx TOC surf 2 7/8" @ 3,897' Perfs @ 3,091' - 3,820'	8 5/8" @ 532' w/ 380sx 5 1/2" @ 3,999' w/ 2000 sx 2 7/8" @ 3,934' Perfs @ 3,091' - 3,820'
J.L. Keel B 78	1330' FSL & 2616' FEL Sec 8, T-17-S; R-31-E	6/27/1995	7/22/1995 Oil	4,155'	8 5/8" @ 426' w/ 350sx TOC surf 5 1/2" @ 4,154' w/ 1450 sx TOC surf 2 7/8" @ 3,872' Perfs @ 2,902' - 3,791'	8 5/8" @ 426' w/ 350sx 5 1/2" @ 4,154' w/ 1450 sx 2 7/8" @ 3,872' Perfs @ 2,902' - 3,791'
J.L. Keel B 87	40' FNL & 40' FEL Sec 8, T-17-S; R-31-E	8/20/1995	10/15/1995 Oil	4,227'	8 5/8" @ 315' w/ 380sx TOC surf 5 1/2" @ 4,274' w/ 1500 sx TOC surf 2 7/8" @ 4,108' Perfs @ 3,113' - 4,069'	8 5/8" @ 315' w/ 380sx 5 1/2" @ 4,274' w/ 1500 sx 2 7/8" @ 4,145' Perfs @ 3,113' - 4,069'
J.L. Keel B 88	1310' FNL & 1200' FEL Sec 8, T-17-S; R-31-E	7/18/1995	9/3/1995 Oil	4,240'	8 5/8" @ 440' w/ 490sx TOC surf 5 1/2" @ 4,239' w/ 1800 sx TOC surf 2 7/8" @ 4,048' Perfs @ 3,128' - 3,991'	8 5/8" @ 440' w/ 490sx 5 1/2" @ 4,239' w/ 1800 sx 2 7/8" @ 4,017' Perfs @ 3,128' - 3,991'
J.L. Keel B 89	1194' FNL & 100' FEL Sec 8, T-17-S; R-31-E	8/11/1995	9/27/1995 Oil	4,290'	8 5/8" @ 519' w/ 500sx TOC surf 5 1/2" @ 4,289' w/ 1540 sx TOC surf 2 7/8" @ 4,127' Perfs @ 3,177' - 4,033'	8 5/8" @ 519' w/ 500sx 5 1/2" @ 4,289' w/ 1540 sx 2 7/8" @ 4,064' Perfs @ 3,177' - 4,033'
J.L. Keel B 91	2664' FSL & 2562' FEL Sec 8, T-17-S; R-31-E	5/15/1995	6/22/1995 Oil	4,069'	8 5/8" @ 466' w/ 500sx TOC surf 5 1/2" @ 4,068' w/ 1075 sx TOC surf 2 7/8" @ 3,984' Perfs @ 2,969' - 3,964'	8 5/8" @ 466' w/ 500sx 5 1/2" @ 4,068' w/ 1075 sx 2 7/8" @ 3,984' Perfs @ 2,969' - 3,964'
J.L. Keel B 92	2630' FSL & 1182' FEL Sec 8, T-17-S; R-31-E	7/15/1995	8/11/1995 Oil	4,265'	8 5/8" @ 478' w/ 350sx TOC surf 5 1/2" @ 4,164' w/ 1300 sx TOC 185' 2 7/8" @ 4,103' Perfs @ 3,041' - 3,972'	8 5/8" @ 478' w/ 350sx 5 1/2" @ 4,164' w/ 1300 sx 2 7/8" @ 4,037' Perfs @ 3,041' - 3,972'

J.L. Keel B 94	1309' FSL & 1299' FEL Sec 8, T-17-S; R-31-E	7/6/1995	7/29/1995 Oil	4,220'	8 5/8" @ 468' w/ 350sx TOC surf 5 1/2" @ 4,219' w/ 2050 sx TOC 100' 2 7/8" @ 3,987' Perfs @ 2,975' - 3,878'	8 5/8" @ 468' w/ 350sx 5 1/2" @ 4,219' w/ 2050 sx 2 7/8" @ 3,987' Perfs @ 2,975' - 3,878'
----------------	--	----------	---------------	--------	---	--

Attachment XIII

Proof of Notice

Merit Energy Company is the operator of all wells within the area of review. The Bureau of Land Management is the surface owner. They have been notified by BLM Sundry Notice (3160-5).

Proof of Publication

Please see the following page.

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn,
on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

June 18 2008

That the cost of publication is \$ **50.41** that Payment Thereof has been made and will be assessed as court costs.

Kathy McCarroll

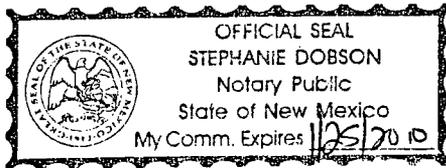
Subscribed and sworn to before me this

18th day of June, 2008

Stephanie Dobson

My commission Expires on 1/25/2010

Notary Public



June 18, 2008
Notice of Application for Fluid Injection Well Permit
Merit Energy Company, 13727 Noel Road, Ste 500, Dallas, TX 75240, is applying to the New Mexico Oil Conservation Division to convert the following well to an injection well for secondary recovery purposes.
The applicant proposes to inject fluid into the Grayburg Jackson formation, well Keel B-715. The proposed injection well is located 1,930' ENL 714, FEL Section 8, T-17-S, R-31-E, Eddy county NM. Fluid will be injected into strata in the subsurface depth interval from 3,000' to 3,820' feet. Average injection pressure 1,900 psi & maximum injection pressure 2,100 psi.
Requests for a public hearing from persons who can show they are adversely affected or requests for further information concerning any aspect of the application should be submitted in writing within fifteen days of publication to the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505.
Kristin Hodge
Regulatory Analyst
Merit Energy Company
13727 Noel Rd, Ste 500
Dallas, TX 75240
972-628-1467

Notice of Application for Fluid Injection Well Permit

Merit Energy Company, 13727 Noel Road, Ste. 500, Dallas, TX 75240, is applying to the New Mexico Oil Conservation Division to convert the following well to an injection well for secondary recovery purposes:

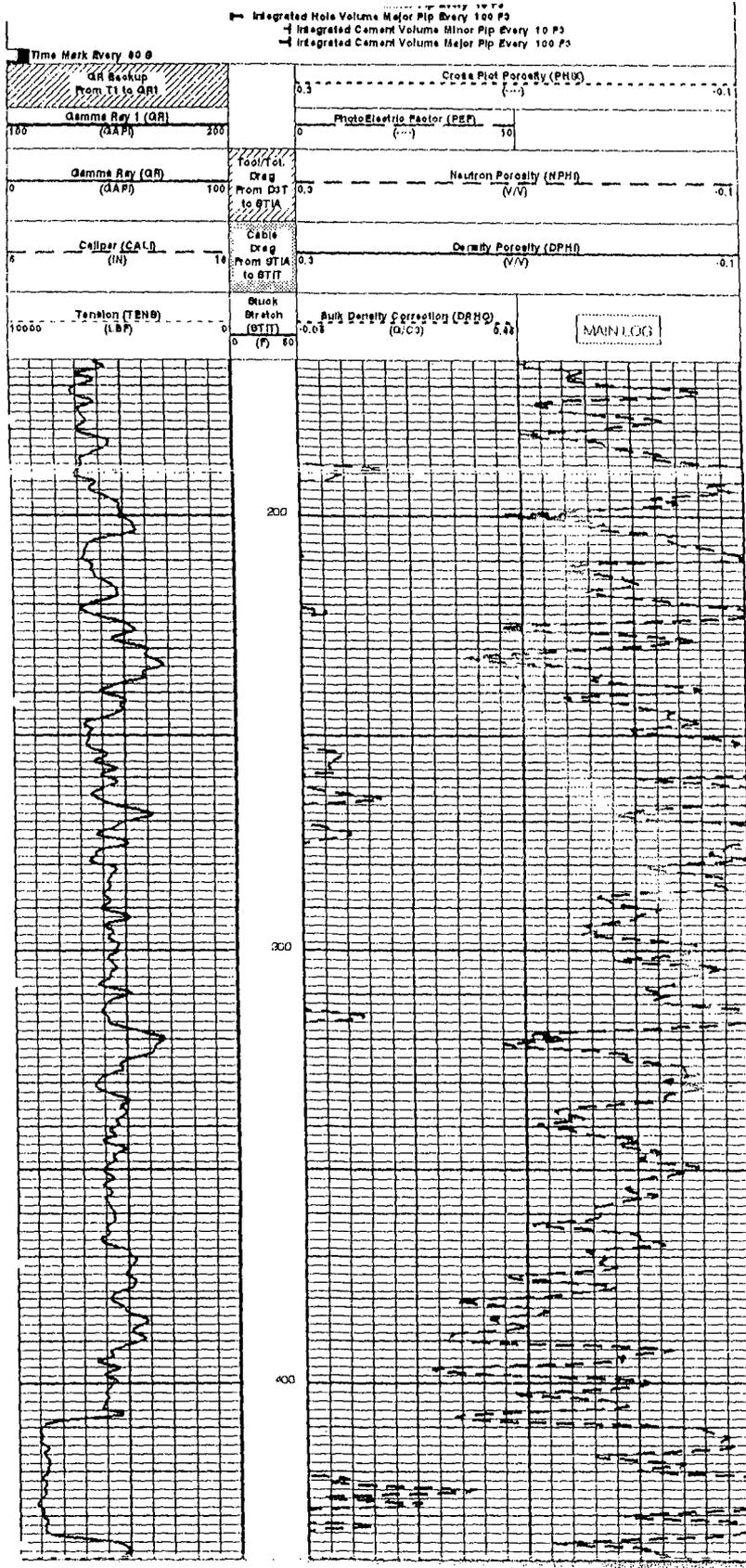
The applicant proposes to inject fluid into the Grayburg – Jackson formation, J.L Keel B 77. The proposed injection well is located 1,930' FNL, 714' FEL; Section 8, T-17-S, R-31-E, Eddy county NM. Fluid will be injected into strata in the subsurface depth interval from 3,000' to 3,820' feet. Average injection pressure 1,900 psi & maximum injection pressure 2,100 psi.

Requests for a public hearing from persons who can show they are adversely affected or requests for further information concerning any aspect of the application should be submitted in writing, within fifteen days of publication, to the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505.

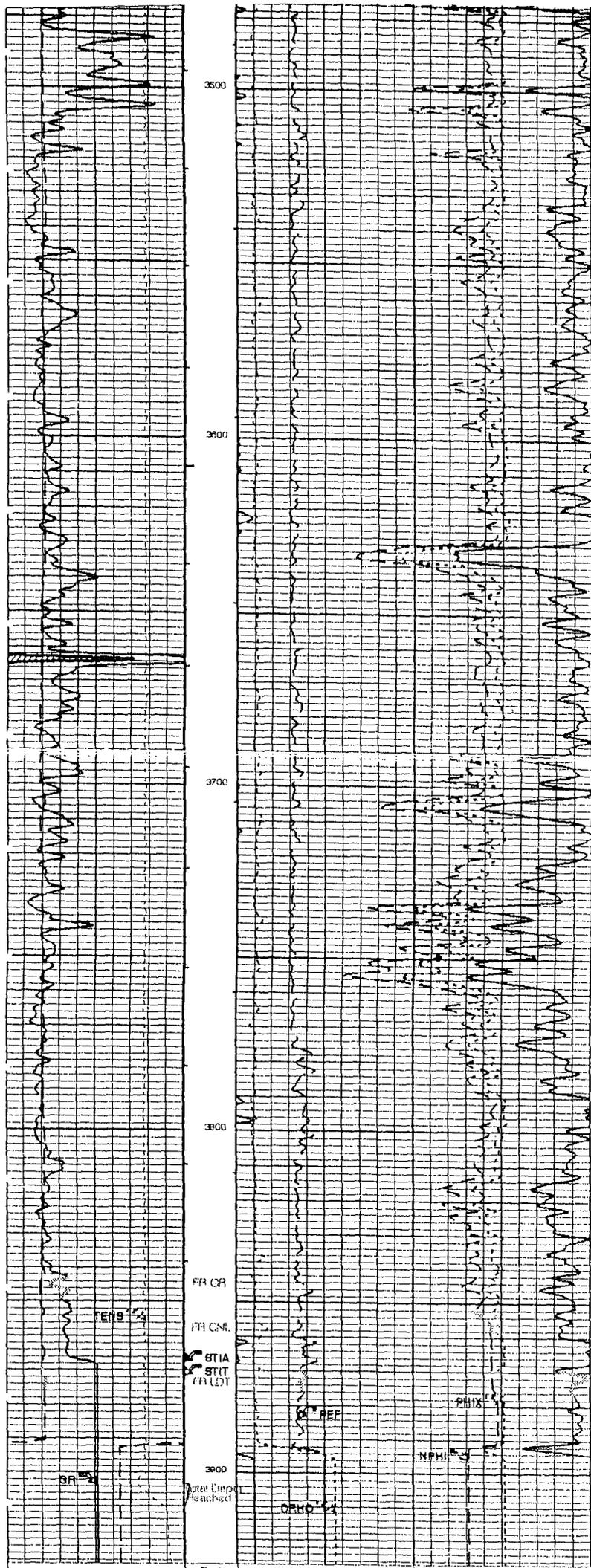
Kristin Hodge
Regulatory Analyst
Merit Energy Company
13727 Noel Rd. Ste 500
Dallas, TX 75240
972-628-1467

Integrated Hole Volume Major Pip Every 100 Ft
 Integrated Cement Volume Minor Pip Every 10 Ft
 Integrated Cement Volume Major Pip Every 100 Ft

Attachment
 X
 KB77



KB97



10000	Tension (TENS) (LBP)	0	0	50	0.03	Bulk Density Correction (DRHO) (G/G)	0.45	MAIN LOG
0	Calliper (CAL) (IN)	14	0	0.1	0.1	Density Porosity (DPH) (V/V)	0.1	
0	Gemmer Ray (GR) (GAP)	100	0	0.3	0.3	Neutron Porosity (NPHI) (V/V)	0.1	
100	Gemmer Ray 1 (GR) (GAP)	200	0	0	10	Photoelastic Factor (PEF) (---)	10	
	GR Backup From T1 to GR1		0.3			Cross Plot Porosity (PHO) (---)	0.1	

PIP SUMMARY
 - Integrated Hole Volume Minor Pip Every 10 F3
 - Integrated Hole Volume Major Pip Every 100 F3
 - Integrated Cement Volume Minor Pip Every 10 F3
 - Integrated Cement Volume Major Pip Every 100 F3

DLIS Name	Description	Parameters	Value
-----------	-------------	------------	-------

Time Mark Every 80 S

KB77

