

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 05088 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name J. L. Keel "B" |
| 8. Well Number 25 |
| 9. OGRID Number |
| 10. Pool name or Wildcat Jackson Grayburg |

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 type="checkbox"/> Other | RECEIVED |
| 2. Name of Operator Merit Energy Company | NOV 29 2004 |
| 3. Address of Operator P O Box 2517, Midland, Texas 79702 | ODD-ARTESIA |

| | |
|--|--|
| 4. Well Location Unit Letter <u>L</u> : 1980 feet from the <u>SOUTH</u> line and <u>517</u> feet from the <u>WEST</u> line Section <u>6</u> Township <u>17-S</u> Range <u>31-E</u> NMPM <u>EDDY</u> County | 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 checked="" 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: <input 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.

SEE ATTACHED PROCEDURE.

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 Tommy Taylor TITLE AGENT DATE 11/19/2004

Type or print name TOMMY TAYLOR E-mail address: ttaylor@tetratec.com Telephone No. 432 570 5382
For State Use Only

APPROVED BY: Phil Hankin TITLE Field Inspector DATE 12/3/04
Conditions of Approval (if any):

PROPOSED PLUGGING PROCEDURE FOR MERIT ENERGY COMPANY

WELL: J. L. KEEL "B" 25
FIELD: GRAYBURG-JACKSON
COUNTY: EDDY

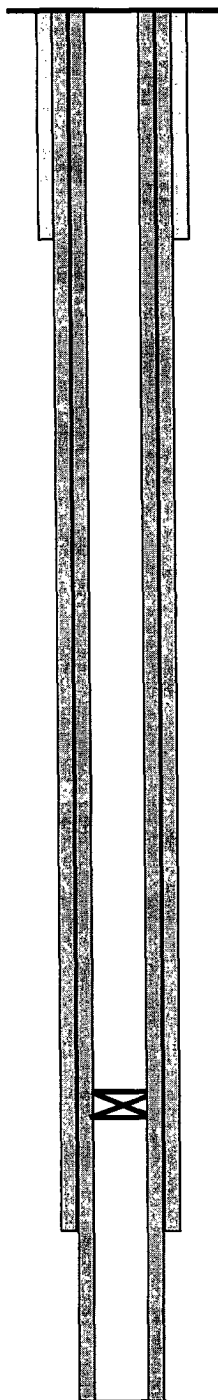


1. MIRU, SPOT EQUIPMENT.
2. REMOVE TREE; SET BOP.
3. RELEASE AD-1 @ 2675'.
4. POOH W/ TUBING, LD AD-1.
5. RIH W/ TUBING AND SET 4 ½" CIBP @ 2700'.
6. RELEASE SETTING TOOL.
7. CIRCULATE WELLBORE W/ 45 BBLS 9.5 PPG MUD LADEN FLUID.
8. SET 25 SX CEMENT ON TOP OF CIBP 2380'-2700'.
9. POOH, RELEASE SETTING TOOL.
10. RIH W/ TUBING AND 4 ½" PACKER TO 350'.
11. RU WIRELINE.
12. RIH, PERFORATE 4 ½" CASING @ 617' (SURFACE CASING SHOE AND TOP OF SALT).
13. POOH, RD WIRELINE.
14. ESTABLISH INJECTION RATE.
15. PUMP 80 SX CEMENT BELOW PACKER.
16. DISPLACE TOC TO 442', WOC.
17. LOWER TUBING TO TOC, TAG AND RECORD.
18. POOH W/ TUBING TO 60'.
19. SET 5 SX CEMENT FROM SURFACE TO 60'.
20. CUT OFF WELLHEAD.
21. INSTALL DRY HOLE MARKER.
22. RDMO LOCATION.

NOTE: NO SURFACE WATER PER BRYAN ARRANT WITH OCD IN HOBBS, NEW MEXICO.

COMPANY: Merit Energy Company
WELL NAME: J. L. Keel "B"
WELL #: 25
API#: 30-015-05088
COUNTY: Eddy

BEFORE



10 3/4" @ 567'

7" @ 3060'

4 1/2" @ 3600'

PACKER @ 2675'

TD 3600'

AFTER

5 SX F/ SURF - 60'

TOC 442'

PERF @ 617'
SQZ 80 SX CMT



25 SX CMT 2380'-2700'
CIBP @ 2700'