

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. 30-015-05057
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. BLM LC-029426-B
7. Lease Name or Unit Agreement Name West, H. E. "B"
8. Well Number 18
9. OGRID Number 14591
10. Pool name or Wildcat Grayburg-Jackson

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 <input type="checkbox"/>	RECEIVED JUN 16 2006 NMU-ARTESIA
2. Name of Operator Merit Energy Company	
3. Address of Operator 13727 Noel Road, Suite 500, Dallas, Texas 75240	
4. Well Location Unit Letter _____ : 660 feet from the south line and 1980 feet from the east line Section 3 Township 17-S Range 31-E NMPM Eddy 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 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"/>	Repair casing leak & MIT

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.

1/04/2006 - MIRU Well Service #5. Set 40 bbl pit, change rams. NDWH, NUBOP w/enviro pot. Release pkr. COOH W/tbg. TIH w/on-off tool on 2-7/8 work string. Secure well. SDF.

1/05/2006 - Open well. TIH w/tbg, latch up pkr & release same. TOH w/tbg, on/off tool 5-1/2 Guiberson pkr. TIH w/ Model G plug, set @ 3290. TOH w/tbg, TIH w/Baker full bore 5-1/2 pkr, sn, tbg, set pkr 2 3277, test plug, release pkr, spot 200" sand on plug, TOH, set pkr @ 2017, test annulus, release pkr, TIH & Set pkr @ 2706. Test tbg & csg. Test good. Release pkr. Test to 500 psi, good test. TOHw/tbg & pkr. Secure well. SDFN.

1/06/2006 - Open well. RU Stone. Load csg w/9 bbl FW w/chem.. Pressure test csg to 500 psi, 30 psi drop in 30 mins. Release press. Pressue csg to 300 psi, 20 psi drop in 30 mins. TIH w/ret.head, t-7/8 tbg. Wash sand off top of plug, latch up & release rbp. TOH w/tbg & plug. TIH w/4-3/4 bit, bit sub, 2-7/8 tbg. Tag fill @ 3454. Rotate tbg/rig tongs. Could not make hole. TOH W/tbg. Secure well. SDFWE.

1/08/2006 - Open well. TIH w/ 4-3/4 blade, bit, bit sub, collars, x-over 2-7/8 tbg. Tag Fill at 3457. RU Swivel & d. head. Break circ. Clean to 3545. TOH w/bit @3200. Secure well. SDFN.

1/10/2006 - Open well. ND BOP & 7-3/8 comp. flange, MU new 7-5/8 comp. flange. HUBOP, TIH w/tbg to 3613 w/end of tbg @ 3600. Circ bottoms up. TOH w/2-7/8 WS. Secure well. SDFN. Dug ou & removed Tin Horn to identify bad 2": inj valve.

1/11/2006 - Open well. RU Testers, TIH w/baker 5-1/2 Hornet pkr, 2-3/8 SN, 2-3/8 IPC tbg, RD Testers, pack WH off, displace hole w/85 bbl packer fluid. Set 5-1/2 pkr @ 3276. RD Well Service, MO. SDFN.

1/12/2006 - Plumb surface inj equip. Tape & bedded 2" gate valve on inj. Lateral, Cleaned loc.

1/13/2006 - Backhoe to LOC, Set and covered Tin Horn.

5/30/ 2006 - Conduct NMOCD MIT Test. Well tested ok. Chart signed by NMOCD Field Inspector. Original chart attached.

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 Larry M. Sanders TITLE Sr. Regulatory Analyst DATE 6/12/2006

Type or print name Larry M. Sanders E-mail address: _____ Telephone No. 972-628-1610

Use Only

APPROVED BY: Gerry Guye TITLE Deputy Field Inspector DATE JUN 27 2006

Conditions of Approval (if any): District II - Artesia

