

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	5. Lease Serial No. LC-029548-A
2. Name of Operator Merit Energy Company	6. If Indian, Allottee or Tribe Name
3a. Address 13727 Noel Road, Suite 500, Dallas, Texas 75240	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) 972-628-1610	8. Well Name and No. Russell, C. A. Well No. 22
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 380' FNL & 500' FWL, Sec. 18, T-17-S, R-31-E	9. API Well No. 30-015-29806
	10. Field and Pool, or Exploratory Area Grayburg-Jackson
	11. County or Parish, State Eddy County, New Mexico

RECEIVED

JUL 26 2006

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12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

06/29/2006 - Road Rig & P&A Equip. to location. Hold tailgate safety meeting, MIRU Royalty Well Service, SDFN.
06/30/2006 - Hold tailgate safety meeting. ND wellhead & NU BOP. PU & Tih w/tbg & tag top of existing CIBP + cmt @ 2665'. Received approval from BLM to spot cmt plug across bad casing. POOH to 2315', mix & pump 20 sx plug @ 2315'. POOH. CWI & pressure up on plug to hold in place. SD for long holiday weekend.
7/5/2006 - Hold tailgate safety meeting. Open & bled down well w/slight trickle of water. RIH w/open ended tbg. Did not tag cmt plug. PU to 2315', mix & pump 25 sx cmt plug @ 2315'. CWI & WOC. SDFN.
07/06/2006 - Hold tailgate safety meeting. Open & Bled down well w/slight trickle of water. RIH w/tbg open ended & tag top of cmt plug @ 2120'. POOH to 1560', Mix & pump 20 sx cmt plug @ 1560'. POOH & w/tbg, WCI & WOC. Open well and RIH w/tbg & tag top of cmt plug @ 1322'. Shut off slight water flow. POOH w/tbg to 520'. Mix and pump 20 sx cmt plug @ 520'. POOH w/tbg * WOC. CWI & SDFN.
07/07/2006 - Hold tailgate safety meeting. Open well, had slight water flow. RIH w/tbg & tag top of cmt @ 250'. Wait on procedure from BLM. Pres. up on csg to 1250#, held ok for 30 minutes. Open well & bled off pressure. Install 200# pressure gauge, CWI & SD. Will monitor well over the weekend.
07/10/2006 - Hold tailgate safety meeting. Open well 0# pressure w/no water flow. Received approval from BLM to proceed with plugging well to surface. RIH w/tbg to 60', mix & pump 10 sx cmt plug @ 60' - surface. ND BOP, dig out & cut off wellhead, RDMO. Weld on Dry Hole Marker, remove rig anchors & clean location. Report complete.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Larry M. Sanders	Title Sr. Regulatory Analyst	Approved as to plugging of the well bore. Liability under bond is retained until surface restoration is completed.
Signature <i>Larry M. Sanders</i>	Date 07/12/2006	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (ORIG. SGD.) ALEXIS C. SWOBODA	Office Accepted for MOCD	Date JUL 24 2006
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.		

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.

(Instructions on page 2)