DEC 07 2007

2 Name of Operator Merit Energy Company

13727 Noel Rd. Ste. 500, Dallas, TX 75240

TYPE OF SUBMISSION

Notice of Intent

_Subsequent Report

Final Abandonment Notice

660' FSL & 660' FWL, Sec.3, T-17-S;R-31-E

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

OCD-ARTEMA

Form 3160-OCD-ARTESIA (September 2001)

3a Address

| S | FORM APPI OM B No 10 Expires Janu |
|---|---|
| | 5 Lease Senal No |

SUNDRY NOTICES AND REPORTS ON WELLS

| | | المناع المسترية المستاح المستا | A | | | |
|---|--|--|--|---|--|--|
| EUNDRY SUNDRY Do not use th | UNITED STATE DEPARTMENT OF THE BUREAU OF LAND MAN NOTICES AND RE his form for proposals to the sell. Use Form 3160-3 (| INTERIOR NAGEMENT PORTS ON WEL to drill or to re-ea | nter an | FORM APPROVED OMB No 1004-0135 Expires January 31, 2004 5 Lease Senal No LC-029426-B 6 If Indian, Allottee or Tribe Name | | |
| IBMIT IN TR | IPLICATE- Other inst | ructions on revers | se side. | 7 If Unit or CA/Agreement, Name and/or No | | |
| Oil Well Gas Well Other Tator Merit Energy Company | | | | 8 Well Name and No H.E. West "B" well No. 16 | | |
| d. Ste. 500, Dallas, TX 75240 3b Phone No (include area code) 972-701-8377 | | | area code) | 30-015-05056 10 Field and Pool, or Exploratory Area Grayburg-Jackson | | |
| lell (Footage, Sec., T, R, M, or Survey Description) 660' FWL, Sec.3, T-17-S;R-31-E | | | 11 County or Parish, State Eddy, NM | | | |
| 12. CHECK AI | PPROPRIATE BOX(ES) TO | INDICATE NATUR | E OF NOTICE, R | EPORT, OR OTHER DATA | | |
| SUBMISSION | TYPE OF ACTION | | | | | |
| Intent It Report Indonment Notice | Acidize Alter Casing Casing Repair Change Plans Convert to Injection | Deepen Fracture Treat New Construction Plug and Abandon Plug Back | Production (State Reclamation Recomplete Temporarily Ab | Well Integrity Other Abandon | | |
| osal is to deepen dire Bond under which the completion of the invi- been completed. Fire | ectionally or recomplete horizontal the work will be performed or provolved operations. If the operation | lly, give subsurface location yide the Bond No on file w n results in a multiple compl | ns and measured and tru 1th BLM/BIA Required letion or recompletion is | ny proposed work and approximate duration thereof the vertical depths of all pertinent markers and zones ed subsequent reports shall be filed within 30 days in a new interval, a Form 3160-4 shall be filed once aution, have been completed, and the operator has | | |
| to temporarily ab | oandon well for 90 days. | | أ و ا | APPROVED | | |

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting da If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA following completion of the involved operations. If the operation results in a multiple completion or recomp testing has been completed Final Abandonment Notices shall be filed only after all requirements, including determined that the site is ready for final inspection)

Request to temporarily abandon well for 90 days.

SUBJECT TO LIKE APPROVAL BY STATE

Accepted for record

| | APPROVED | 1, |
|---|-------------------------------|-----|
| , | DEC 5 2007 |) F |
| | LES BABYAK PETROLEUM ENGINEER | |

| 14 Thereby certify that the foregoing is true and correct Name (Printed/Typed) | | | | | | |
|---|------|--------------------------|------|--|--|--|
| Kristin Hodge | | Title Regulatory Analyst | | | | |
| Signature AUTH H | Date | 11/20/2007 | | | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | | |
| Approved by | | Title | Date | | | |
| 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 | | Office | | | | |
| 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)

SEE ATTACHED FOR CONDITIONS OF APPROVAL