

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator **Merit Energy Company**3a. Address
13727 Noel Rd. Suite 500 Dallas, Texas 752403b. Phone No. (include area code)
972-628-1569

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

G-Sec. 19-T18S-R31E 1980' FNL & 2310' FEL

5. Lease Serial No.

NM0678896

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Shugart West 19 Federal #6

9. API Well No.

30-015-30689

10. Field and Pool, or Exploratory Area

Shugart Bone Spring North

11. County or Parish, State

Eddy Co., New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" 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 checked="" type="checkbox"/> Other Add Perfs
	<input type="checkbox"/> Change Plans	<input 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 recomplete 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 recompletion 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.)

1. MIRU. Hot oil rods & tbg. Rack back rods & tbg.

2. NU BOP's & test. MU CICR & RIH to 7700' +/- RU reverse unit. RU manifold. Pmp 50 bbls 2% KCL thru CICR.

3. Set CICR @ 7700'. Sting out & circ well w/165 bbls 2% KCL w/biocide. Sting in w/15K lbs. compression.

4. MIRU cementing services. Est inj. rate. Pump 200 sx. Class H. Displace w/43 bbls 2% KCL.

5. Sting out. PU a minimum of 30' & reverse circulate utilizing manifold. Pump a minimum of 60 bbls. Check returns.

6. TOH w/tbg. Rack back. Allow cmt to set-up for 24 hrs. NU bit & 6-DC's. TIH & tag cmt.

7. DO cmt & CICR. DO cmt to 8000'. Circ well w/2% KCL. Work through CICR to ensure no burrs. Pressure test to 500 psi surface.

8. TOH. Rack back tbg. LD DC's & bit. MIRU WL.

9. Perforate 7822-24'; 7844-48'; 7867-70'; 7886-90'; 7942-45'.

10. MU RBP & retrievamat w/WL re-entry. 1 jt. SN & RIH w/2-7/8" to 8000'. Hydrotest in hole. Set plug. Set pkr @ 7910'.

11. BD perfs w/4% KCL. Est inj rate. Record ISIP. Release pkr. TOH & LD RBP. ROH & set RBP @ 7855'.

12. Set RBP @ 7855'. Set pkr. @ 7800'. BD perfs w/4% KCL. Est inf rate. PU rate to ensure all perfs broke.

13. Release pkr. L/O plug. RIH & set plug @ 8000'. TOH & set pkr. @ 7750'.

14. RU swab equip & swab. Record volumes.

15. Release plug & pkr. & TOH. Rack back tbg. ND BOP's. Spot 3-1/2" frac string.

RECEIVED
MAY 06 2011
NMOCD ARTESIA14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**Lynne Moon**Title **Regulatory Manager**

Signature

Date

03/14/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

MAY 2 2011

Approved by

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

Office

By **Chris Walls****BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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)

accepted for record - NMOCD

DJS 5-9-11

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NM0679896

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Shugart West 19 Federal #6

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16. NU WL re-entry guide. Hornet pkr. w/flapper valves, on-off tool & tally in hole to 7785'.

17. Circ well w/4% KCL or brine. Pump a minimum of 45 bbls to ensure pkr. clear. Set pkr. w/15K #'s compression. Do not pressure up backside.

18. Install 3-1/2" frac valve. Prepare location for frac job. RU frac tanks.

19. MIRU pumping services. Frac well as prescribed. Evacuate tbg if S/O occurs. Check psi on backside during frac. Record pertinent data.

20. Close pkr valve. J-Off pck & T"OH. MIRU WL. Set RBP @ 7710'.

21. Perforate 7632'34'; 7660-63' & 7685-88'.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**Lynne Moon**Title **Regulatory Manager**

Signature

Date

03/14/2011**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

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(Instructions on page 2)

Lease & Well No. **West Shugart Federal 19-#6**

Field Name **Shugart**

Location **1980' FNL & 2310' FEL, Sec. 19, T18S, R31E**

Status **Active**

County & State **Lea County, NM**

API No. **30-015-30689**

Well Information

Spud: **11/01/99** Ground Elevation: **3,620'** D.F. Elevation: **3,631'**
Completed: **KB Elevation: 3,632'** Total Depth: **8,380'**

Pipe Data

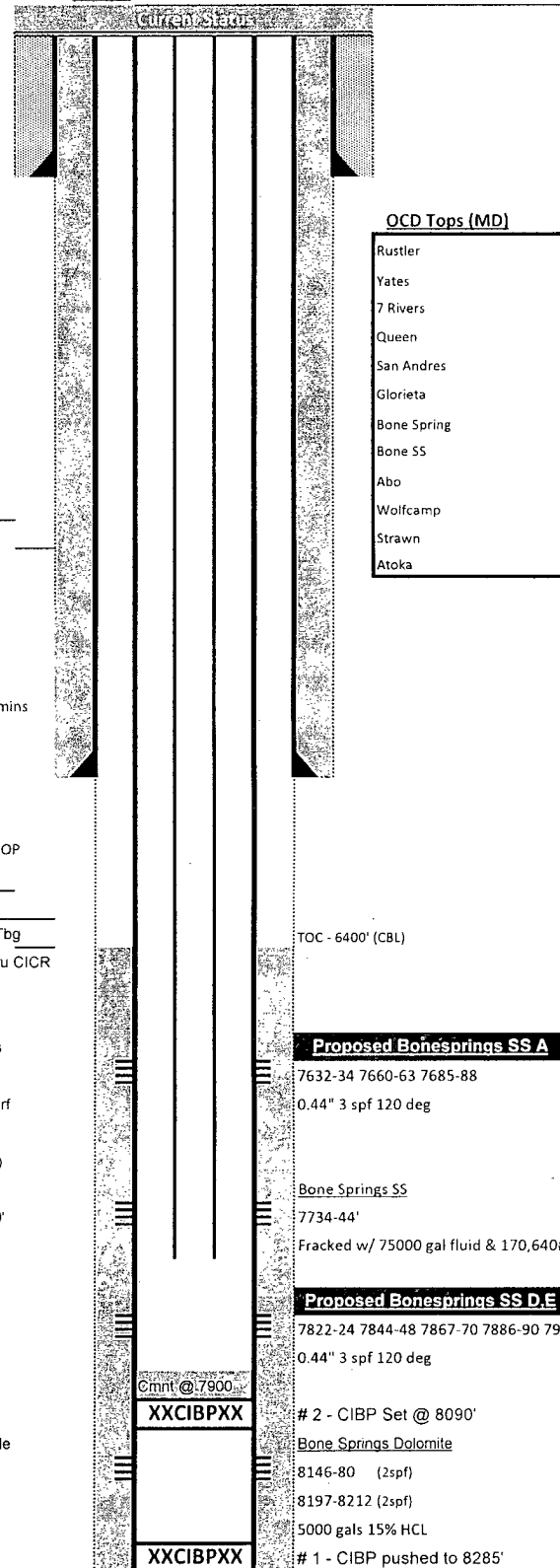
Surface						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
17-1/2"	519'	13 3/8"	48.0#	H-40	370 sx	
Intermediate						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
11"	2,810'	8-5/8"	32.0#	J-55	625 sx	
Production						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
7 7/8"	8,383'	5-1/2"	17 / 15.5	K-55/L-80		TOC @ 6368' CBL
Downhole/Tubulars (Top to Btm):						
245 jts 2 7/8" x 6.5# L-80; 2 7/8" x 5 1/2" TAC; 6 jts 2 7/8" x 6.5# L-80; 2 7/8" API-SN; 2 7/8" PS; 2 7/8" BPMJ 1 1/2" PR; Pony Rods; 96-1.25" FG; 72-1"; 86-7/8"; 10-1.5" Kbars; 2 1/2" x 1 1/4" x 24' RHBC						

Well History

12/3/1999 Complete BS Dolo with 5000 gals 15% HCL; IP: 249 BOPD
10/3/2000 Frac BS SS; IP: 321 BOPD, 450 MCFD, 126 Bwpd
12/31/2000 Push CIBP from 7850' to 8285' / 204 BOPD, 330 MCFD, 270 BWPD
5/26-6/1/10 Casing Leak 5791'-5821' / Psi up to 2000# lose 500# in 5 mins / Unable to Pump into Swab Test
6/2/2010 Set CIBP @ 8090'
1/12/2011 Test CIBP @ 8090' - good / Test casing from 7786-8062 - good test / Set Packer @ 7663; psi up to 500 psig lost 390#/30mins set plug @ 7663; swab test casing - swabbed dry; swab test cibp @ 8090' - swab dry
perf 8060-64; inj rate: 0.5 bpm @ 2500 psig; perf 8020-24' inj rate 3 bpm @ 2850 psig; Set CIBP @ 7675'
Pump 200 sks Class H Cement; 1 bpm @ 2000 psig // DO CIBP and Cmmt to 7910 ft
Run GR CCL CBL from 7900 ft to 6150' // TOC = 6400' // RePerf SS C 7734-39
Acidize w/24 bbls 15% w/20 gals demulsifier and paraffin solvent 2 bpm @ 750; ISIP:0 // swab well; sandline parted // POP
2 BWPD

SS A, D & E Completion Procedures

Pole Test Anchors; MIRU W/O Rig; Hold Pre-Job Safety Meeting; Disconnect Power Source; HO Rods and Tbg; Rack Back Rods and Tbg
NU BOPS & Test; NU 5 1/2" CIBP and RIH with Tbg (Tally in Hole) to 7700' +/- / RU Rev Unit / RU Manifold / Pump 50 bbls 2% KCL thru CIBP
Set CIBP @ 7700' / Sting Out and Circ Well with 165 bbls 2% KCL w/Biocide / Sting In with 15 klbs compression
MIRU Cementing Services / Est Inj Rate; Pump 200 sks Class H / Displace with 43 bbls 2% KCL
Sting out; PU a min of 30 feet and Reverse Circulate (down backside up tubing) utilize manifold; Pump a minimum of 60 bbls; CK returns
TOH with Tubing - Rack Back; Allow Cement to set-up for 24 hrs / NU 4 3/4" Bit and 6 DCS / TIH and Tag Cement
DO Cement and CIBP; DO Cement to 8000 ft / Circ Well with 2% KCL / Work through CIBP to ensure no burrs / Psi Test to 500 psig surf
TOH - Rack Back Tbg / LD DCs and Bit / MIRU W/L Services
Perforate SS D, E w/ 3 spf 120 deg phasing 0.44" Cal with 37" Penetration from 7822-24' 7844-48' 7867-70' 7886-90' 7942-45 (48 Perfs)
Utilize Marker Joint 7630-7642 ft to correlate
NU RBP and Retriveamatic with W/L Reentry, 1 jt, SN, and RIH with 2 7/8" to 8000 ft - Hydrotest in Hole / Set Plug / Set Packer @ 7910'
BD Perfs with 4% KCL; Est Inj Rate; Record ISIP; Release Packer; TIH and L/O RBP; TOH and Set RBP @ 7910'
Set packer @ 7855' / BD Perfs w/4% KCL; Est Inj Rate; Record ISIP; Release Packer; TIH and L/O RBP; TOH and Set RBP @ 7855'
Set RBP @ 7855' +/- and Set Packer @ 77800' +/- and BD Perfs with 4% KCL; Est Inj Rate - PU Rate to ensure all perfs Broke
Release Packer / L/O plug / RIH and Set Plug @ 8000 ft / TOH and Set Packer @ 7750'
RU Swab Equipment and Swab; record vols; CK for O&G;
Release Plug and Packer & TOH / Rack Back Tubing / ND BOPS / Spot 3 1/2" Frac String
NU W/L Reentry Guide; Homet Packer (full bore) with Flapper Valves, On/Off Tool and Tally in Hole to 7785'
Circ Well w/ 4% KCL or Brine; Pump a minimum of 45 bbls to ensure pkr clear; Set Packer with 15 klbs compression; do not psi up bkside
Install 3 1/2" Frac Valve / Prepare Location for Frac Job: RU Frac Tanks (Manifolded)
MIRU Pumping Services: Frac well as prescribed; Evacuate tbg if S/O occurs; CK Psi on Backside during frac; Record pertinent info
Close pkr valve; J-Off Packer and TOH / MIRU W/L Services / W/L Set RBP @ 7710 ft CBL Depths
Perforate SS A with 3 spf 120 deg phasing 0.44" Caliper with 37" Penetration from 7632-34' 7660-63' 7685-88' (24 Perfs)



OCD Tops (MD)

Rustler
Yates
7 Rivers
Queen
San Andres
Glorieta
Bone Spring
Bone SS
Abo
Wolfcamp
Strawn
Atoka

TOC - 6400' (CBL)

Proposed Bonesprings SS A

7632-34 7660-63 7685-88
0.44" 3 spf 120 deg

Bone Springs SS

7734-44'
Fracked w/ 75000 gal fluid & 170,640#

Proposed Bonesprings SS D,E

7822-24 7844-48 7867-70 7886-90 794
0.44" 3 spf 120 deg

Cmmt @ 7900'

XXCIBPXX

XXCIBPXX

XXCIBPXX

2 - CIBP Set @ 8090'

Bone Springs Dolomite

8146-80 (2spf)
8197-8212 (2spf)
5000 gals 15% HCL

1 - CIBP pushed to 8285'