

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

JAN 04 2006

2. Name of Operator Merit Energy Company

3a Address
13727 Noel Road, Suite 500, Dallas, Texas 75240

3b. Phone No. (include area code)
972-628-1610

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

Unit E, 2310' FNL & 990' FWL, Sec. 35, T-18-S, R-31-E

5. Lease Serial No.
NM-10190

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
14-08-001-11572

8. Well Name and No.
East Sugart Unit Well No. 12

9. API Well No.
30-015-05694

10. Field and Pool, or Exploratory Area
Sugart (Y-SR-Q-G)

11. County or Parish, State
Eddy County, 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 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
	<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.)

Objective: Plug & Abandon the East Sugart Unit Well No. 12.

1. Comply with all company and government environment and safety regulations.

Anyone on job location has the authority to shut down unsafe work.

2. Clear location, MIRU pulling unit.

3. Deliver work string to location. ND Wellhead & NU BOP's. RIH w/open-ended tbg to re-enter paarted 7" casing.

4. Spot 50 SX cmt plug starting @ 2,600'. POOH above plug & WOC.

5. RIH to tag cement. Verify plug and record depth. Pull up & spot 20 Sx plug from 2280' to 2180'. POOH & WOC.

6. Pump 100 sx bradenhead squeeze down 7" annulus to isolate production string above the surface shoe.

7. RIH to 1,000'. Spot 20 SX cement plug from 1,000' to 880'. Pick up & WOC/ RIH to tag cement. Verify plug and record.

8. POOH & Spot 25 SX cement plug to surface.

9. Cut off wellhead and install dryhole marker.

10. RDMO pulling unit. Clean location.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Larry M. Sanders

Title Sr. Regulatory Analyst

Signature

Larry M. Sanders

Date

12/21/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

PETROLEUM ENGINEER

Office

Accepted for record - NMOC

DEC 28 2005

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)