

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
☐ Oil Well ☐ Gas Well ☒ Other

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)
380' FNL & 500' FWL, Sec. 18, T-17-S, R-31-E

5. Lease Serial No.

LC -029548-A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Russell, C. A. Well No. 22

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

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 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.)

1. Comply with all company and government environment and safety regulations. Anyone on job location has the aughority to shut down unsafe work.
2. Clear location. MIRU.
3. ND Wellhead. NU BOP.
4. Place 35' cement on CIBP @ 3325'
5. Set CIBP @ 2750' w/35' cement on top.
6. Set 100' plug from 1450' - 1550'. TAG.
7. Set 100' plug from 425' - 525'. TAG.
8. Set 60 surface plug across all annuluses.
9. Cuto wellhead and install dry hole marker.
10. RDMO. Clean location.

RECEIVED

MAY 12 2006

OCD-ARTESIA

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

05/02/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

PETROLEUM ENGINEER

Date

MAY 09 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.

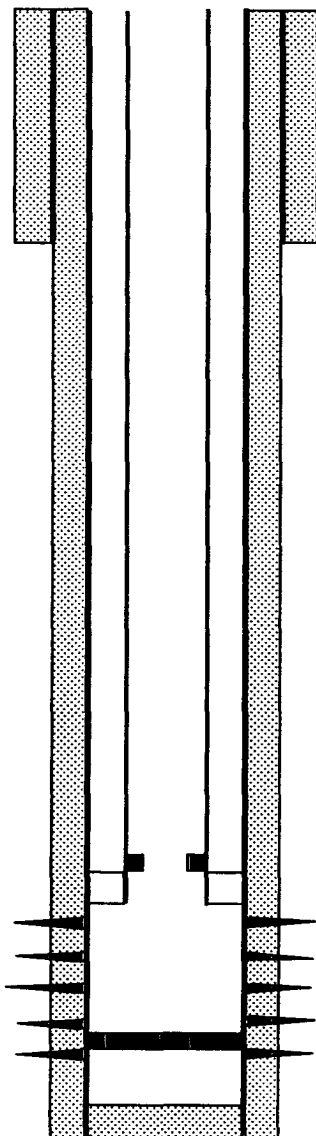
Office

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)

MERIT ENERGY COMPANY WELLBORE SCHEMATIC

WELL NAME: C.A. RUSSELL #22			FIELD: GRAYBURG-JACKSON			
LOCATION: 380' FNL & 500' FWL, SEC 18-T17S-R31E			COUNTY: EDDY			STATE: NM
ELEVATION: GL=3753'; KB=3766'			SPUD DATE: 11/21/97		COMP DATE: 01/10/98	
API#: 30-015-29806		PREPARED BY: C.H. CARLETON			DATE: 05/17/00	
	DEPTH	SIZE	WEIGHT	GRADE	THREAD	HOLE SIZE
CASING:	0' - 476'	8 5/8"	24#	J-55	ST&C	12 1/4"
CASING:	0' - 3695'	5 1/2"	15.5#	J-55	LT&C	7 7/8"
CASING:						
TUBING:	0' - 2704'	2 3/8" IPC	4.7#	J-55	EUE 8rd	
TUBING:						



☒ CURRENT

☐ PROPOSED

OPERATOR: MERIT ENERGY COMPANY

8 5/8" CASING @ 476' W/500 SXS. CEMENT TO SURFACE.

Salt Zone: 555' - 1390'

*Actual salt zone unknown. Using zone from Russell #4.

DETAIL OF PERFORATIONS

GRAYBURG: 2790', 96', 98'
 U.GRAYBURG: 2844', 46', 60', 62', 63', 73'
 M.GRAYBURG: 2875', 86', 94', 96'
 LOCO HILLS: 2929', 31'
 METEX: 2969', 72', 74', 90', 3003'
 L.GRAYBURG: 3027', 32'
 PREMIER: 3069', 71', 82', 88', 94', 3100', 06'
 VACUUM: 3157', 60', 87'
 LOVINGTON: 3216', 20', 35', 40', 48'
 M.JACKSON: 3394', 96', 3413', 21', 30', 63', 67', 78', 80', 82', 84', 3506',
 18', 20', 33', 38'
 L.JACKSON: 3548', 54', 60', 62', 64', 73', 76', 83', 85', 87'

RECEIVED

MAY 12 2006

WU-ANTECOM

SEAT NIPPLE @ 2704'

BAKER AD-1 PACKER @ 2705'

PERFORATIONS: 2790'- 3248' (OPEN) - 37 HOLES

PERFORATIONS: 2790'- 3587' (OA) - 63 HOLES

CIBP @ 3325'

PBTD 3647'

5 1/2" CASING @ 3695' W/1550 SXS. CEMENT TO SURFACE.

TD @ 3700'