

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

AUG 25 2009

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.

5. Lease Serial No.
UG-029435-B
6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Merit Energy Company

3a. Address
13727 Noel Rd Suite 500
Dallas, Texas 75240

3b. Phone No. (include area code)
972-628-1569

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

8. Well Name and No
J L Keel B 077

9. API Well No.
30-015-28279

10. Field and Pool or Exploratory Area
Grayburg-Jackson

4 Location of Well (Footage, Sec., T, R., M., or Survey Description)
1930' FNL & 714' FEL Sec 08-T17S-R31E

11. Country or Parish, State
Eddy

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

MIRU PU. ND WH. NU BOPE. POOH w/rods LD. Unseat TA & POOH w/production tbq. LD. PU & RIH w/Baker Hornet injection pkr. on 2-3/8" IPC tbq. testing in. Set inj. pkr. +/- 50' above perforations (+/- 3040'). ND BOPE. Install injection wellhead. RD MO PU. Install fiberglass injection lines to well. Remove pumping unit. Perform MIT. If successful, begin injection.

(Lay & bury 1400' 2" fiberglass injection line from Keel B #77 to Keel B #12.) - separate sundry

See attached

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

Lynne Moon

Title Regulatory Manager

Signature

Date 06/25/2009

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

AUG 21 2009

Date

WESLEY W. INGRAM
PETROLEUM ENGINEER

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)

**J L Keel B 077
30-015-28279
Merit Energy Company
August 21, 2009
Conditions**

Operator completed conversion to injection based on NMOCD approval and did not wait for BLM approval, which is required on any federal wellbore. As a result, this is being accepted for record purposes.

- 1. Surface disturbance beyond the existing pad must have prior approval.**
- 2. Test BOP.**
- 3. MIT to be witnessed.**

WWI 082109