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Form 3160-5  
(April 2004)  
JUN -4 2010  
NMOCD ARTESIA

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**  
**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.*

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**

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**2440' FSL & 1550' FEL Sec. 24-T18S-R30E**

5 Lease Serial No  
**LC 028990A**

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No  
**Shugart West 24G Federal #2**

9 API Well No.  
**30-015-31742**

10 Field and Pool, or Exploratory Area  
**Shugart; Bone Springs**

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 checked="" 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 <b>Add perfs</b>
	<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 recomplate 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.)

- MIRU WSU. ND WH. NU BOP's & test. RU tbg. tools. Kill will if needed w/2% KCL. POOH w/rods, pump & tbg.
- RIH w/bit & scraper to PBTD. POOH. Clean-out fill if needed.
- RU EL & PU perf gun loaded 3 spf. Assemble to include GR/CCL tools. Log gun on depth & perf Bone Springs 8278-8292' MD. Tie-in using log. Leave well SI while perforating. POOH w/guns. RD EL.
- MIRU pumping services.
- RIH w/tbg. plug & pkr. Set plug below new perfs. Set pkr above lower perfs (8265'). Pump 5000 gals 15% HCL w/diverter. Flush w/2% KCL.
- Unseat pkr. Retrieve plug & reset plug in window (8250' - 8260') and reset pkr above top perfs. Pump 4000 gals 15% HCL w/diverter. Flush w/2% KCL. RD pumping services. Swab back acid.
- Unseat pkr., retrieve plug & POOH.
- RIH w/production tbg., rods & pump and hang-off. RDMO WSU. Place well on production and obtain test.

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

Signature *Lynne Moon*

Date **05/03/2010**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

**APPROVED**

Date **MAY 30 2010**

*J.A. Amos*  
**JAMES A. AMOS**  
SUPERVISOR EPPS

Approved by \_\_\_\_\_ Title \_\_\_\_\_  
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 \_\_\_\_\_

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)

*RM*