

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires: March 31, 2007BUREAU OF LAND MANAGEMENT
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 Company3a. Address
13727 Noel Rd. Suite 500 Dallas, Texas 752403b. Phone No. (include area code)
972-628-15694. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FNL & 990' FEL; Sec. 24-T18S-R30E5. Lease Serial No.
NM 93771

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Shugart West 24A Federal #49. API Well No.
30-015-3211510. Field and Pool, or Exploratory Area
Shugart; Bone Springs, North11. 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 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 checked="" 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 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.)

07/01/10 MIRU. POOH w/rods & pump. NU BOP. Release TAC. Tag @ 8019'. TIH w/tbg., SN, csg. scraper & bit to 7525'. Spot frac tanks.

07/06/10 Finish in hole w/tbg. Tag @ 8021'. POOH w tbg. RU WL. Set CIBP @ 7700'. Dump 15' cmt on top of CIBP. RIH & circulate well clean. Test csg. to 3050# for 5 mins. w/no gain or loss. Spot 250 gals. acedic acid 7402'-7654'. POOH w/tbg.

07/07/10 ND WH. NU 5K WH. Test seals to 1000#. OK. Test WH, frac valve, frac head to 3825# for 10 mins w/no gain or loss. Bleed off pressure. RU WL. Perforate 7619'-7654' 3 spf. Well on vac. after perf. Tagged PBD @ 7686' WL depth. Load csg. w/2% KCL. Establish pump-in rate 1 BPM @ 1000#.

07/08/10 MI & fill 1 additional frac tank.

07/09/10 RU. Test lines. Open well. Pump 3 bbls to load. Establish pump-in rate. Pump 2000 gals 15% HCL, pad, start on sand. Unable to get above 30 BPM rate & unable to count sand concentration. Overflush sd.

07/10/10 Frac well w/1856 bbls 17# x-linked gel & 271 bbls 17# linear gel; 99060# 20/40 white and 20690# SLC sd. Monitored intermediate csg. during job. Stayed @ 134#. ISIP 910#, 5" 890#, 10" 867#, 15" 828#. Max IP 2983#. AIP 2709#. AIP 49 BPM. RD Superior. Well SI for 1-1/2 hrs. SICP vac. Monitor SICP for 8 hrs. & still vac. Leave SION. 3772 BWTR.

07/11/10 Well SI.

07/12/10 ND frac valve, head & release. NU BOP. RU Hydrostatic. RIH w/2-7/8" tbg. No leaks. Tag @ 7659'. RU swab. Start FL 4500'. RIH to 6000' & pull out to 2200' & got stuck. Work swab 2200-2260'. SION.

07/13/10 Work stuck swab 2600' - 2630'. ND WH. Release TAC. NU BOP. Pull tbg. Found swab cup stuck in paraffin.

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

Lynne Moon

Title Regulatory Manager

Signature

Date

07/16/2010

THIS SPACE FOR FEDERAL OR STATE OFFICIAL USE

ACCEPTED FOR RECORD

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

Date

Office

AUG 18 2010
/s/ Dustin Winkler

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

(Instructions on page 2)

NM 93771
Shugart West 24A Federal #4
API# 30-015-32115
Eddy Co., NM

07/14/10 RIH w/2-7/8" tbg. ND BOP. Set TAC w/12 pts. Tension. NU WH. Hot oil tbg. RD. RIH w/rods.
Load tbg. w/22 BPW & test 500#. Test OK. Put well on production.

07/15/10 RDMO. Well made 52 BW in 15 hrs. 3780 BLWTR.

WELLBORE DIAGRAM

Lease & Well No. **SHUGART WEST 24-A FEDERAL #4**
Field Name **Shugart**
Location **990' FNL & 990' FEL, Sec. 24, T18S, R30E**

Status **Active**
County & State **Eddy County, NM**
API No. **30-015-32115**

Well Information

Spud: **3/09/02** Ground Elevation: **3,636'** D.F. Elevation: **3,649'**
Completed: **4/30/02** KB Elevation: **3,650'** Total Depth: **8,425'**

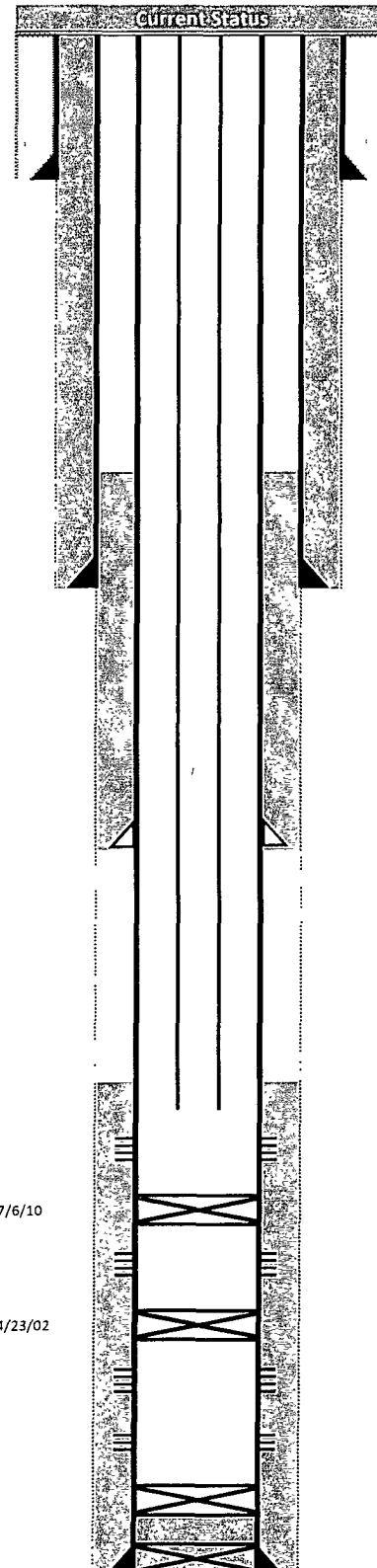
Pipe Data

Surface						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
17-1/2"	767'	13-3/8"	72.0#		680 sx	TOC @ surf
Intermediate						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
11"	2,814'	8-5/8"	32.0#		819 sx	TOC @ surf
Production						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
7-7/8"	8,364'	5-1/2"	15.5/17#	K-55	715 sx	TOC @ 6920'

** DV tool @ 4293' **

Downhole Tubulars (Top to Bottom)	
7/14/2010 - RIH with 2-7/8" 6 5# L-80 prod tbg, TAC @ 7390', SN @ 7557', BPMJ @ 7593'	

PERFORATIONS:	Date Shot	Zone
7619-7654	7/7/2010	Bones Springs (ss)
7728-7740	4/24/2002	Bones Springs (ss)
8168-8206	4/18/2002	Bones Springs (dolo)
8219-8258	4/18/2002	Bones Springs (dolo)



CIBP @ 7700' w/15' cmt - 7/6/10

CIBP @ 8158' w/30' cmt - 4/23/02

CIBP @ 8320' - 4/7/2002

PBTD	8,337'
Total Depth	8,425'