

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

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.
NM 0179896

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)

972-628-1603

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

G-19-18S-31E 1980 FNL & 2310 FEL

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

8. Well Name and No.
Shugart West 19 Federal #6

9. API Well No.
30-015-30689

10. Field and Pool or Exploratory Area
Shugart; Bone Springs North

11. Country or Parish, State
Eddy Co., New Mexico

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 checked="" 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 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 recomplete 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 recompletion 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.)

Shugart West 19 Federal 6

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

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

2. MIRU WSU (test anchors if needed prior), ND wellhead. NU BOPs & test. RU tbg tools, kill well if needed w/ 2%kcl and POOH with rods, pump, tbg.

3. RIH with packer and test CIBP to confirm integrity. Test integrity of csg above top perms by pressure test. If tests pass, release CIBP. Isolate lower perforations (Bone Springs dolomite 8146'-8212') and pump into with 2% kcl for injectivity test – note rate, volume, and pressure. POOH.

4. PU and RIH with cement retainer and set below top perforations and above lower perforations for cmt squeeze (shutoff) of lower Bone Springs perms 8146'-8212'.

5. MIRU pumping services. Safety meeting - recommend discussing safe job procedures of pressure pumping, emergency response in case of accident or environmental release, and review MSDS sheets of the chemicals to be used.

6. Pump cement squeeze thru retainer. Sting out of retainer, circ clean and POOH. RD pumping services.

7. RIH with prod tbg, rods, pump and hang off - RDMO WSU. Place well on production and obtain test when able.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Cindy Chavez

Signature

Cindy Chavez

RECEIVED

OCT 27 2010

Regulatory Analyst
NMOCD ARTESIA

Date 09/09/2010

APPROVED

OCT 20 2010

Roger D. Hume
**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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)

DJ

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WELLBORE DIAGRAM

Lease & Well No. **SHUGART WEST 19 FEDERAL #6**
Field Name **Shugart**
Location **1980' FNL & 2310' FEL, Sec. 19, T18S, R31E**

Status **Active**
County & State **Eddy County, NM**
API No. **30-015-30689**

Well Information

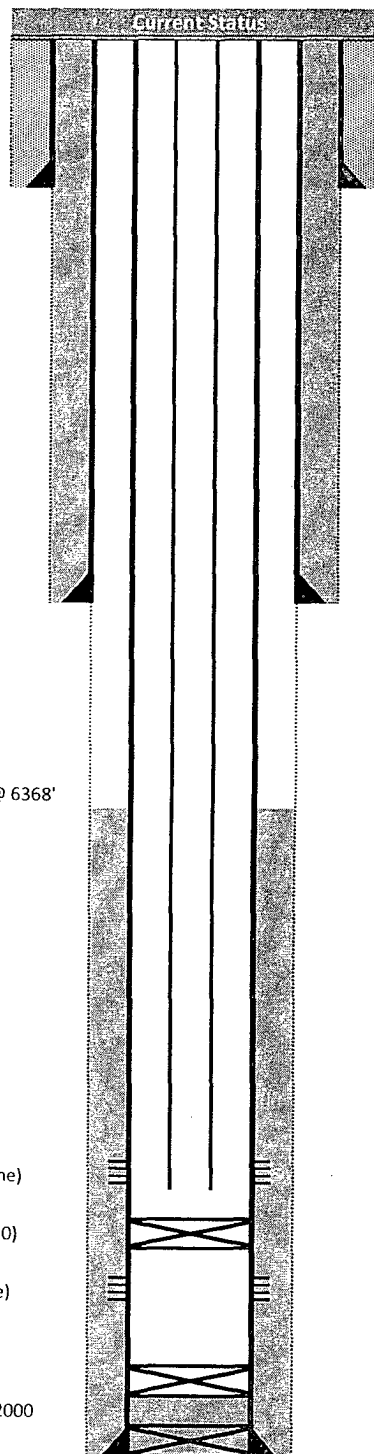
Spud: **11/01/99** Ground Elevation: **3,620'** D.F. Elevation: _____
Completed: **12/03/99** KB Elevation: _____ Total Depth: **8,380'**

Pipe Data

Surface						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
17-1/2"	518'	13-3/8"	48.0#	H40	415 sx	TOC @ surf
Intermediate						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
11"	2,810'	8-5/8"	32.0#	J55	600 sx	TOC @ surf
Production						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
7-7/8"	8,350'	5-1/2"	17.0#	N80	270 sx	TOC @ 6368'

Downhole Tubulars (Top to Bttm):	
2-7/8" L-80 6.5# - 7684' 2-7/8"x5-1/2" TAC - 6 jts 2-7/8" TP - SN @ 7885'. PS & BPMJ @ 7921'	

PERFORATIONS:	Date Shot	Zone
7734 - 7744	9/28/2000	Bones Springs (ss)
8146 - 8180	11/22/1999	Bones Springs (dolo)
8197 - 8212	11/22/1999	Bones Springs (dolo)



TOC @ 6368'

Bone Springs (sandstone)

CIBP @ 8090' (6/2/2010)

Bone Springs (dolomite)

CIBP @ 8285'

Pushed from 7850 to 8285 - 12/21/2000

PBTD	8,320'
Total Depth	8,380'

**Shugart West 19 Federal #6
30-015-30689
Merit Energy Company
October 20, 2010
Conditions of Approval**

- 1. Surface disturbance beyond the originally approved pad must have prior approval.**
- 2. Closed loop system required.**
- 3. Operator to have H2S monitoring equipment on location as H2S has been reported from wells in the area.**
- 4. A minimum of a 2M BOP is required and must be tested prior performing operations.**
- 5. Subsequent sundry required.**
- 6. Work to be completed in 90 days.**

RGH 102010