N.M. Oil Cons. DIV-Dist. 2

Form 3160-5 (April 2004) UNITED STATES W. Grand Avenue

DEPARTMENT OF TARTEST OF NIM 88210 BUREAU OF LAND MANAGEMENT

FORM APPROVED OM B 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.

5.	Lease Serial	Na.
	LC-0	294353
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abandoned we	ell. Use Form 3160 - 3	(APD) for such pro	posals.				
SUBMIT IN TRIPLICATE- Other instructions on reverse side.					7. If Unit or CA/Agreement, Name and/or No.		
1. Type of Well Oil Well 2. Name of Operator Merit Energy 3a. Address P O Box 2517, Midland, Texas 4. Location of Well (Footage, Sec., Unit A, 860' FNL 660' FEL	79702	RECEIVED DEC 2 8 2004 PIPPE PATE 9 16 3b. Phone No. (include area code)		8. Well Name and No. J. L. Keel "B" 33 9. API Well No. 30 015 25446 10. Field and Pool, or Exploratory Area Grayburg Jackson 11. County or Parish, State			
Section 6, T-17-S, R-31-E	Eddy County, New Mexico						
12. CHECK A	PPROPRIATE BOX(ES) TO	O INDICATE NATUR	E OF NOTICE, RE	EPORT, OR	OTHER DATA		
TYPE OF SUBMISSION	E OF ACTION						
Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Production (Star Reclamation Recomplete Temporarily Aba Water Disposal	ŕ	Water Shut-Off Well Integrity Other		
If the proposal is to deepen dire	ctionally or recomplete horizonta	dly, give subsurface location	s and measured and true	vertical depths	k and approximate duration thereof. of all pertinent markers and zones.		

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 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.)

See attached procedure.

DEC 23 2004

LES BABYAK

PETROLEUM ENGINEER

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	1							
Tommy Taylor	Title	& €nt						
Signature James Jaks	DE PAR	12/14/2984						
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 warr certify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon.	•	Office						
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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 anymatter within its jurisdiction.

PROPOSED PLUGGING PROCEDURE FOR MERIT ENERGY COMPANY

WELL:

J. L. KEEL "B" 33

FIELD:

GRAYBURG-JACKSON

COUNTY:

EDDY



- 1. MIRU, SPOT EQUIPMENT.
- 2. POOH, LD SUCKER RODS (+/-3000').*
- 3. REMOVE TREE; SET BOP, PRESSURE TEST.
- 4. POOH W/ TUBING TO VERIFY FOOTAGE.
- 5. RIH W/ TUBING TO 2950'.
- 6. CIRCULATE WELLBORE W/ 125 BBLS 9.5 PPG MUD LADEN FLUID.
- 7. SET 50 SX CEMENT PLUG 2778'-2978'.
- 8. PULL TUBING UP OUT OF CEMENT, REVERSE OUT.
- 9. WOC; LOWER TUBING TO TOC, TAG AND RECORD.
- 10. PULL TUBING UP TO 2750'.
- 11. SET 25 SX CEMENT PLUG 2650'-2750'.
- 12. PULL TUBING UP TO 465'.
- 13. SET 50 SX CEMENT PLUG FROM 235'-465'.
- 14. PULL TUBING UP OUT OF CEMENT; REVERSE OUT, WOC.
- 15. LOWER TUBING TO TOC, TAG AND RECORD.
- 16. PULL TUBING UP TO 90'.
- 17. SET 15 SX CEMENT PLUG FROM SURFACE TO 60'.
- 18. CUT OFF WELLHEAD.
- 19. INSTALL DRY HOLE MARKER.
- 20. RDMO LOCATION.

PLUG 1 (STEP 7) WILL COVER PERFS AND CASING LEAK AT 2883'.

^{*} SCHEMATIC SHOWS RODS IN HOLE.



