Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR 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. SUBMIT IN TRIPLICATE- Other instructions on reverse side. 1. Type of Well
1. Type of Well Gas Well Other SECEIVED 2. Name of Operator Merit Energy Company 3a. Address 13727 Noel Road, Suite 500, Dallas, Texas 75240 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL & 990' FEL, Sec. 35, T-18-S, R-31-E 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Repair Recomplete Alter Casing Fracture Treat Reclamation Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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 tree value 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/BLA. Required subsequent reports shall be filed once testing has been completed. Final Abandonment Notice 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.)
1. Type of Well Gas Well Other RECEIVED 8. Well Name and No. East Sugart Unit Well No. 8
3a. Address 3b. Phone No. (include theory care) 4. Location of Well (Footage, Sec., T., R. M., or Survey Description) 990' FNL & 990' FEL, Sec. 35, T-18-S, R-31-E 10. Field and Pool, or Exploratory Area Sugart Yates, TR, Qu, Grbg. 11. County or Parish, State Eddy County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Acidize Deepen Production (Start/Resume) Alter Casing Repair New Construction Recomplete Casing Repair Change Plans Plug and Abandon Temporarily Abandon Temporarily Abandon Temporarily Abandon Temporarily Abandon Temporarily Abandon To the Repair Rod Part The Plug Back 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/BlA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or necompletion 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.)
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL & 990' FEL, Sec. 35, T-18-S, R-31-E 11. County or Parish, State Eddy County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Fracture Treat Reclamation Well Integrity Casing Repair Change Plans Plug and Abandon Temporarily Aba
4. Location of Well (Footage, Sec., T., R. M., or Survey Description) 990' FNL & 990' FEL, Sec. 35, T-18-S, R-31-E 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize
Eddy County, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize
TYPE OF SUBMISSION Acidize Deepen Production (Start/Resume) Water Shut-Off Well Integrity Other Repair Rod Part Casing Repair Change Plans Plug and Abandon Plug Back 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 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.)
Notice of Intent Acidize
Notice of Intent Alter Casing
Final Abandonment Notice Convert to Injection Plug Back 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 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.)
Final Abandonment Notice Plug Back 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 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.)
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.)
11/15/2005 - MIRU Well Service #5. Set 40BBL steel pit w/pump. Tooh w/production rod, break at 15th 5/8 rod. TIH w/overshot, fish rods. Unseat pump. TOOH w/ pump. Drop sv pump, 20 bbls produced water. Could not test tubing. Secure Well. SDON. 11/16/2005 - Open well. NDWH, PU tbg. Tubing was parted. Install BOP w/environ bowl. Tally out w/85 jts 2-3/8 tbg (2637), left 40 jts in hole w/coupling looking up. MI & unloa 100 jts 2-7/8 tbg for work string. Tall in hole wovershot, basket grapple, B. Sub, & 32 jts tbg. Secure Well, SDON. 11/17/2005 - Open well. TIH w/tbg, Tag fish @ 2641, engage o-shot, pu tbg, 2-3/8 tbg parted. TOOH w/tbg & tools. TIH w/tbg & overshot, tag fish #3169, engage o-shot, RU Black Warrior wireline. RIH w/free point, pu tbg, tbg parted, RD Wireling, Secure Well, SDON. 11/18/2005 - Open well. TOOH w/tbg tools. Recovered 21 jts & 2' of 2-3/8. Topof fish @3822'. TIH w/bit, bit sub, & tbg. Screw into fish & tool w/tbg & tools. TIH w/bit, big sub, & 2-7/8 tbg. Tag fill @3769. RU King Swivel & D. Head. Clean out to 3818'. Circ hole clean. TOOH above perfs. Secure well. SDON. 11-19/2005 - Open well. TIH w/10 jts. TOOH, LD w/2-7/8, bit sub, & bit. Move out work string. Move in 2-3/8 production string. RU Testers. Change Rams. Test in hole @ 7000 psi below slips, RD Testers. Secure well. SDON.
11/20/2005 - Open well. Take off BOP. NUWH. Prep 7/8 & 3/4 rods. TIH w/ pump, prod rods. Space rods. Hang rods on unit. Check for good action. RD. Will place well on production 11/21/2005 in A.M. Return to production.
action. RD. Will place well on production 11/21/2005 in A.M. Return to production.
action. RD. Will place well on production 11/21/2005 in A.M. Return to production. ACCEPTED FOR RECORD 14. I hereby certify that the foregoing is true and correct
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Larry M. Sanders Title Sr. Regulatory Analyst Date Date Date ACCEPTED FOR RECORD ACCEPTED FOR RECORD 12/08/2005
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Larry M. Sanders Title Sr. Regulatory Analyst Date 12/08/2005 ALEXIS C. SWOBOLA THIS SPACE FOR FEDERAL OR STATE-OFFICE USE DETPOLE LIM ENGISHEED
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Larry M. Sanders Title Sr. Regulatory Analyst Date Date Date ACCEPTED FOR RECORD ACCEPTED FOR RECORD 12/08/2005

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.