

OCD-ARTESIA

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB 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
☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator Merit Energy Company

3a Address
13727 Noel Road, Suite 500, Dallas, Texas 752403b. Phone No. (include area code)
972-628-1610

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

660' FNL & 660' FEL, Sec 18, T-17-S, R-31-E

5. Lease Serial No.

LC-054908

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Hudson Federal Well No. 1

9. API Well No.

30-015-05208

10. Field and Pool, or Exploratory Area

Grayburg-Jackson

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			
<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 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 checked="" 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.)

02/01/2006 - MIRU Well Service Rig #5. Set Davis Tool reverse unit & aux equip. NDWH, NUBOP w/enviro-pot. Release AD-1 pkr. TOOH w.tbq & pkr. Secure well. SDFN.

02/02/2006 - Open well, well flowing to pit. TIH w/Baker Model G rbp ret head. Plug set down at 602'. TOH w/plug. TIH w/bit, bit sub, tbq to 664'. (bit did not tag @ 602'). TOH w/bit. TIH w/rbp, could not get past 602'. TOH w/plug. Pump 70 bbl water down 4-1/2, Monitored 7" while pumping. No flow or blow on 7". RU Jarrell Services, RIH w/G rbp, set at 600'. RIH w/CIBP, set at 600', 200# over roll to pick up. RDWL, secure well. SDFN.

02/03/2006 - Open well, well flowing to pit. TIH w/pc. Flush tbq w/fresh water to dissolve salt build up. LD 2-3/8 ipc. TIH w/work string to 3490'. No fill. TOH w/end of tbq at 2600'. Secure well. SDFWE.

02/06/2006 - Open well. Well flowing to steel pit. TIH w/2-3/8 tbq to 3459'. RU Schlumberger, spot 60 sx Class C plug. TOH w/107 jts. Shut well in. WOC 2 hrs. TIH w/tbg to 2845'. Did not tag plug. (Note: Calculated top of plug should have been at 2600') TOH w/tbg. WOC 2 hrs. TIH w/tbg. Tag plug at 2877'. With EOT at 2845', pump 20 sx plug. TOH w/tbg. (Shut well in to prevent contamination from water flow) WOC 3 hrs. TIH w/tbg, tag plug at 2813'. With EOT at 2780', pump 60 sx plug. TOH w/tbg. Shut well in. SDFN.

02/07/2006 - Open well. Well flowing to steel pit. TIH w/2-3/8" tbq. Tag plug at 2037'. TOH w/EOT at 1842', spot 30 sx Class C plug. TOH w/tbg. WOC. TIH w/tbg. Tag plug at 1422'. TOH w/EOT at 647'. Circ cement to surface w/50 sx Class C. RD, MO. Well P&A'ed. Will erect dry hole marker and clean location as necessary for inspection.

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

Larry M. Sanders

Title Sr. Regulatory Analyst

Signature

Date

02/09/2006

Accepted for record - NMOCU

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

SGD: DAVID E. GLASS

PETROLEUM ENGINEER

Date

FEB 21 2006

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)

Approved as to plugging of the well bore.
Liability under bond is retained until
surface restoration is completed.