

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007



5. Lease Serial No.
NMNM-045254

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Lotsa Luck 29 Federal Com Well No. 3

9. API Well No.
30-015-33742

10. Field and Pool, or Exploratory Area
Crow Flats Morrow

11. County or Parish, State
Eddy County, New Mexico

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 75240

3b. Phone No. (include area code)
972-628-1610

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
G, 1980 FNL & 1980 FEL, Sec. 29, T-16-S, R-27-E

12. CHECK 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 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 checked="" type="checkbox"/> Other Temporary Abandon
	<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.)

Temporary Abandon Procedure.

**Hold safety meeting and comply with all regulatory, environmental and company safety rules.
Notify NMOCD and BLM prior to beginning operations.**

1. MIRU E-line services.
2. RIH w/5-1/2" CIBP and set at 8480'.
3. Set 30' cement plug on top of CIBP.
4. RD electric line services.
5. RU pump truck and conduct Mechanical Integrity Test.
6. Record pressures on chart
7. RD pump truck, clean location.

Accepted for record - NMOCD

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

Larry M. Sanders

Title Sr. Regulatory Analyst

Signature

Date

07/27/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

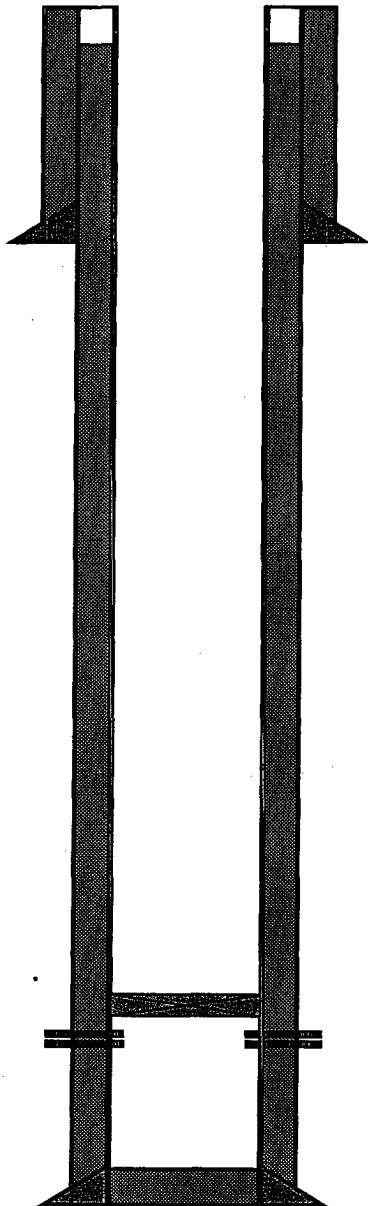
Office

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)

MERIT ENERGY COMPANY WELLBORE SCHEMATIC

WELL NAME: LOTSA LUCK 29 FED COM # 3			FIELD: Crow Flats			
LOCATION: 1980' FNL & 1980' FEL, Sec. 29, T16S-R27E			COUNTY: Eddy			STATE: NM
ELEVATION: GL = 3486', KB = 3505.5'			SPUD DATE: 01/23/05		COMP DATE: 02/25/05	
API#: 30-015-33/42		PREPARED BY: B. Bauer			DATE: 12/05/05	
	DEPTH	SIZE	WEIGHT	GRADE	THREAD	HOLE SIZE
CASING:	0' - 1320'	8-5/8"	32#	J-55	LT&C	12-1/4"
CASING:	0' - 9000'	5-1/2"	17#	P-110	LT&C	7-7/8"
TUBING:						



CURRENT



PROPOSED

OPERATOR: MERIT ENERGY COMPANY

8-5/8" CSG @ 1320' SET W/ 620 SX (TOC @ SURFACE)

DETAIL OF PERFORATIONS

MORROW: 8574' - 8584' (@ 4 SPF = 40 0.4" EHD HOLES)

Zones of Interest

San Andres: 2050' - 2146'

Yeso: 2687' - 2699'

Set CIBP @ 8,480' & cap w/ 30' cmt

PBTD @ 8750'

TD @ 9000'

5-1/2" CSG @ 9000' SET W/ 1565 SX (TOC @ 200' CBL)