

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

FORM APPROVED  
OMB NO. 1004-0135  
Expires January 31, 2004

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 <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Lease Serial No. <b>LC-029548-A</b>
2. Name of Operator <b>MERIT ENERGY COMPANY</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>13727 NOEL ROAD, SUITE 500, DALLAS, TEXAS 75240</b>	3b. Phone No. (include area code) <b>972-628-1610</b>	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>380' FNL &amp; 500' FWL SEC. 18, T-17-S, R-31-E</b>		8. Well Name and No. <b>RUSSELL, C.A. #22</b>
		9. API Well No. <b>30-015-29806</b>
		10. Field and Pool, or Exploratory Area <b>GRAYBURG-JACKSON</b>
		11. County or Parish, State <b>EDDY NM</b>

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 checked="" 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 final site is ready for final inspection.)

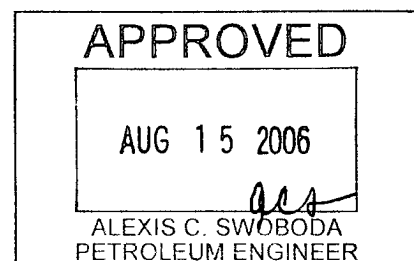
CIRC. WELL W/ PXA MUD.

06/30/06: MIX & PUMP A 20 SX. CMT. PLUG @ 2315'; WOC - NO TAG; MIX & PUMP A 25 SX. CMT. PLUG @ 2315'; WOC & TAG TOP OF CMT. PLUG @ 2120'.

07/06/06: MIX & PUMP A 20 SX. CMT. PLUG @ 1560'; WOC & TAG TOP OF CMT. PLUG @ 1322'. MIX & PUMP A 20 SX. CMT. PLUG @ 520'; WOC & TAG TOP OF CMT. PLUG @ 250'.

07/10/06: MIX & SPOT A 10 SX. CMT. SURF. PLUG @ 60'-SURFACE.  
INSTALL PXA MARKER.

Accepted for record  
NMOCD



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>DAVID A. EYLER</b>	Title <b>AGENT</b>
<i>David A. Eyer</i>	Date <b>07/10/06</b>

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, makes 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.