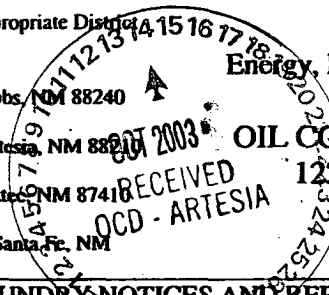


Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999



WELL API NO. 30-016-28204

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

8. Well No. East Shugart # 25

9. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other FNJ

2. Name of Operator
Merit Energy

3. Address of Operator

4. Well Location

Unit Letter _____ : 2650 feet from the South line and 1350 feet from the West line

Section 35 Township 19S Range 31E NMPM 10190 County Eddy

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	<u>Integrity test</u>
OTHER: <input type="checkbox"/>		OTHER: <u>Fixed Hole in tbg.</u>	<input type="checkbox"/>

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

pulled tbg & tested. found hole in first joint from surface. replaced & tested.

Ex Injection PSI 1100PSI

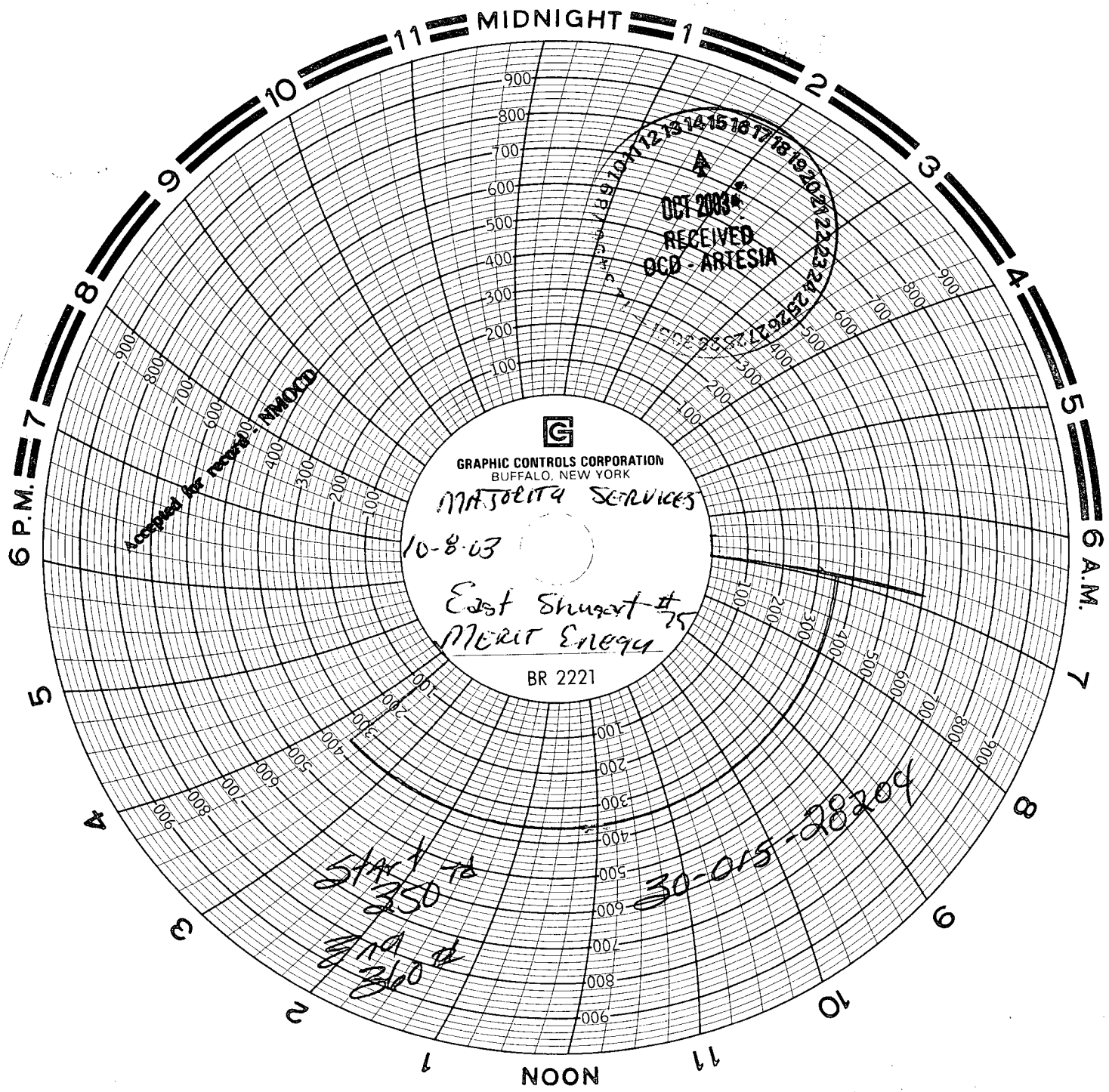
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE B. Riley TITLE _____ DATE 10-

Type or print name Brandon Riley Telephone No. 420-5502
 (This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Accepted by record - NMOCD



GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

MARJOLITA SERVICES

10-8-63

East Street #5
MERIT ENERGY

BR 2221

A
OCT 2003
RECEIVED
OCD - ARTESIA

Accepted for service
10-8-63

START TO
350
360

30-015-28209