JUN 18 2009

OCD-ARTESIA

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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 page 2.*

1 Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other	5. Lease Serial No: NM14777
	6. If Indian, Allottee or Tribe Name:
	7 If Unit of CA/Agreement, Name and/or No.
	8. Well Name and No.: Mayer Fed Com 1
2. Name of Operator: Merit Energy Company	9 API Well No.: 30-015-24041
3a. Address: 13727 Noel Rd, Suite 500 Dallas, TX 3b. Phone No. *(include area code)*: 214-701-8377	10. Field and Pool or Exploratory Area: Owen Mesa Atoka
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*: NE SE Sec 26 T24S R29E	11. Country or Parish, State: Eddy, NM

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☑ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ 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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection)

Procedure

1. MI pump truck and load backside with 4% KCl. Pressure test the backside to 500# to check the integrity of the casing.
2. RIH w/ 2" bridge plug and set inside the 2-3/8" tbg sub at 12,615' and dump 35' of cmt on top of the plug.
3. Load hole with 4% KCl mixture with clay stabilizer and pressure test the plug to 1000#.
4. RIH w/ 1 11/16" gun tie into Schlumberger Compensated Neutron-Formation Density log dated 6/5/1982 and perforate 11,504' – 08', 11,512' - 16', 11,529' – 34', 11,597' – 99', 11,608' - 14', 11,623' – 30', 11,640' – 46', 11,758' – 62', 11,800' - 14'.
5. POOH and verify that all shots were fired.
6. RU acid and CO2 trucks and pump a nitrified acid job with BS per the recommendation.
7. Shut well in and record the 5, 10, 15 pressure measurements.
8. Rig up flowback crew with separator heater and flare stack. Open well and let flow back to frac tanks. Once well has cleaned up, RD flowback hands, and turn over to sales.

Rejected – see attached
Wesley Ingram
6/16/09

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*: Melissa Meals	Title: Operations Engineer
Signature:	Date: 05/15/2009

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, 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: MAYER FEDERAL COM # 1	FIELD. OWEN MESA		
LOCATION: 1980' FSL & 660' FEL, Sec. 26, T24S-R29E	COUNTY: EDDY		STATE: NM
ELEVATION: GL = 3095', KB = 3118'	SPUD DATE: 12/30/81	COMP DATE: 7/14/82	
API#: 30-015-24041	UPDATED BY: Melissa Meals	DATE: 4/23/2009	

	DEPTH	SIZE	WEIGHT	GRADE	THREAD	HOLE SIZE
CASING:	0' - 600'	16"	65#	H-40	ST&C	26"
CASING:	0' - 3280'	10-3/4"	45 5#	S-80	ST&C	12-1/4"
CASING:	0' - 11002'	7-5/8"	29.7& 33.7#	S-95	?	9-1/2"
CASING:	10320' - 13471'	5"	18#	N-80	?	6-1/8"
TUBING:	0' - 9906'	2-7/8"	6.5#	N-80	?	
TUBING.	9907' - 11200'	2-3/8"	4.7#	N-80	?	

CURRENT PROPOSED

OPERATOR: MERIT ENERGY COMPANY

16" CSG @ 600' w/ 1550 SX (TOC @ SURFACE)

10-3/4" CSG @ 3280' w/ 6400 SX (TOC @ SURFACE)

7-5/8" CSG @ 11002' W/ 975 SX 'H' (TOC 7094')

DV Tool @ 8,014'

DETAIL OF PERFORATIONS

Atoka: 12716' - 12726' (22 0.5" EHD HOLES)

Baker Model 40-26 DB Permanent Production Pkr @ 11200'
pkr w/10' 2-3/8" 4.7# N-80 8rd pup, 1.87 Baker F nipple and WL entry guide

Baker Model 32-26 DB Permanent Production Pkr @ 12600'
pkr w/10' 2-3/8" 4.7# N-80 8rd pup, 1.81 Baker F nipple and WL entry guide

PBTD @ 13380'
TD @ 14028'

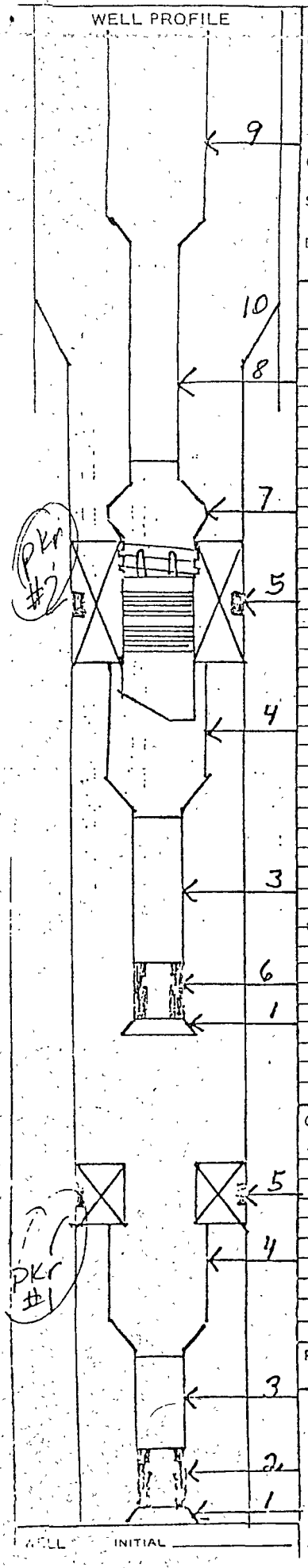
5" LINER f/ 10,320' - 13471' W/ 435 SX (TOC UNKNOWN)

Completion / Well History

12/30/1981	Set 30" conductor pipe
2/4/1982	Ran 16" casing to 600' and cmt w/ 1250 sxs lead and 300 sxs tail. Circulated 100 sxs to surface
2/12/1982	Ran 10 3/4" casing to 3280' and cmt w/ 2000 sxs. Circulated 150 sxs to surface
3/7/1982	Ran 7 5/8" casing to 11,002' w/ a DV tool at 8014' Cmt w/ 725 sxs on 1st stage and 250 sxs on 2nd stage (TOC @ 7094)
4/26/1982	Ran 5" Liner from 10,320' to 13471' and c,t w/ 435 sxs
6/4/1982	Drilled to TD @ 14057'
7/1/1982	Perfed & acidized w/ 1800 gal 7.5% HCL @ 6750 psi & 6 bpm. ISIP = 4500 psi. IP'd @ 4.2 MMCFPD on 10/64 CHK, w/ FTP = 4800 psi & CP = 1050 psi
10/2/2008	Ran in hole with hip tripper on coil and washed fill @ 12,546'. Continued dowh-hole to perfs at 12,716' - 12,726 and washed with 1700 gals of acid.

EOG has 17% W.I.
EOG engineer is Andrew Chodur 432-686-3649
EOG manager is Rich Morton 432-686-3687

WELL PROFILE



OPERATOR Superior Oil

WELL # Mayer Federal #7

FIELD Morrow Gas

COUNTY Eddy

STATE New Mexico

DATE 6/24/82

☐ NEW COMPLETION ☑ WORKOVER

	CASING	LINER	TUBING 1	TUBING 2	TUBING 3
SIZE	7 5/8	5"	2 7/8	2 3/8	
WEIGHT	33.7	18#	6.5	4.7	
GRADE			N80	N-80	
THREAD			EUE 8rd	EUE 8rd	
DEPTH					

ITEM NO.	EQUIPMENT AND SERVICES	ESTIMATE
1	2 3/8 Wireline Entry Guide	
2	2 3/8 ~~EUE~~ x 1.81 BFC-F Nipple w/2 3/8 EU 8rd Box & Pin w/1.81 F Profile ABC Mod.	
3	2 3/8 EUE 8rd Tubing Sub. 10' ABC Mod.	
4	3 1/2 Millout Extension w/2 3/8 EUE 8rd Pin down 10'	
5	Baker 32-26 Model D-B Ret. Prod. Pkr Set on Electric Wireline w/2.688 I.D.	
6	2 3/8 x 1.87 BFC-F Nipple w/2 3/8 EUE 8rd Box & Pin w/1.87 F Profile ABC Mod.	
7	Baker 40-26 Model F-22 Anchor Seal Assm. w/2 Seal Unit w/2 3/8 EUE 8rd Box x Half Mule Shoe.	
8	2 3/8 EUE 8rd Tubing @ 2600'	
9	2 7/8 EUE 8rd Tubing 10,000 +-	
10	TOP OF LINE 10,320	
	Gun Max OD 1.687	

COMMENTS:
For Art Stephenson
Land w/10,000 #'s Comp.

TOTAL ESTIMATE

PREPARED BY	OFFICE	PHONE
Bob McCaw	Midland, Texas	682-2512

Worksheet No. 523

WELL INITIAL

PRINTED IN U.S.A.

Mayer Fed Com 1
30-015-24041
Merit Energy Company
June 16, 2009
Rejection Comments

1. **The AAPG paper presented as proof that the Morrow is below the TD of this well shows in the log on page 1223 that the Morrow Lime is approximately 13150'. The BLM geologist reviewed the log for the well in question and determined that the Morrow top is 13070'. The top of the Morrow can be determined by noting the appearance of Glauconite. As stated previously, a plug is required at the top of the Morrow formation by the BLM and NMOCD.**

2. **Procedure does not specify which casing is being tested. Test would have to be held for 30 minutes with no more than a 10% drop in pressure. Copy of pressure chart required.**

3. **The proposed plug is not adequate for sealing of the Atoka formation. The Onshore Order 2 states that a CIBP can be placed within 50-100' of the perforations and cement placed on top. The packer assembly does not meet the BLM requirement of a CIBP and is not within 50-100' of the uppermost perforation. In addition, using a bailer with the restrictions of the tubing currently in the hole would result in an inadequate cement cap.**

4. **A CBL would be required to verify that the top of cement (TOC) behind the liner is actually above the proposed perforations as the diagram states that the TOC for the liner is unknown.**

5. **Additional note: Well has Fed Com in the name, but does not require a Communitization Agreement.**

WWI 061609