

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**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.5. Lease Serial No.
NMNM13276

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM910268. Well Name and No.
SINAGUA 18 F.C. 019. API Well No.
30-025-32402-00-S110. Field and Pool, or Exploratory
QUAIL RIDGE11. County or Parish, and State
LEA COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
MERIT ENERGY COMPANYContact: BEVERLY HATFIELD
E-Mail: beverly.hatfield@meritenergy.com3a. Address
13727 NOEL ROAD #500
DALLAS, TX 75240-73123b. Phone No. (include area code)
Ph: 972.628.1630 Ext: 630
Fx: 972.960.12524. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 18 T20S R34E SWNE 1650FNL 2210FEL

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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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.)

Objective :Add additional Morrow gas pay current perfs are non productive

Procedure

1. Comply with all company and government environment and safety regulations. Anyone on job location has the authority to shut down unsafe work.

2. MIRU WSU ND wellhead. NU BOP. Obtain backside FL shot. Set blanking plug in packer nipple. RIH and punch tbg above plug swab tbg as necessary to remove annular fluid. Once backside volume is swabbed (determined from prior FL shot), unseat packer and pull remaining tbg OOH.

3. MIRU Eline unit do not PT lubricator w/fresh water, use KCL. RIH w/GR/CCL and 5-1/2 modified RBP (plug to stay in hole for possibly up to 5 yrs), tie-in to Schlumberger Neutron Litho-Density/GR dated 2/19/94 and set @ 13400 (Sundown Office has Halliburton collar strip jewelry log dated 8/1/03). POOH and RIH w/GR/CCL and Baker 3-1/8 csg perf guns. Use SLB (2/19/94) log for GR tie-in and HOWCO collar log for collars. Shoot the following perfs: 13258 -13266 and

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #36609 verified by the BLM Well Information System
For MERIT ENERGY COMPANY, sent to the Hobbs
Committed to AFMSS for processing by LINDA ASKWIG on 09/24/2004 (04LA0361SE)**

Name (Printed/Typed) BEVERLY HATFIELD

Title AUTHORIZED SIGNATURE

Signature (Electronic Submission)

Date 09/23/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By GARY GOURLEY

Title PETROLEUM ENGINEER

Date 09/24/2004

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 Hobbs

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #36609 that would not fit on the form

32. Additional remarks, continued

13292 -13320 (36 total 2 runs). Shoot the well underbalanced if possible (max anticipated BHP is ~1300psi), and minimize the amount of water contacted on new perms do not need to load hole before perf. Leave well SI while perforating. POOH w/guns, RD eline unit.
4.RIH w/production string and re-dressed Baker packer set packer ~13160 (pressure test packer according to Hobbs OCD district regs).
5.Leave well SI overnight to build pressure put on production the next day.