ι.	<u>District I</u> 1625 N Frend District II	h Dr., Hobi	Hobbs, NM 88240 (State of New Mexico					Form C-104 Revised October 15, 2009				
	1301 W. Grand Avenue, Artesa, NM 88210											
	Uistrict III Oil Conservation Division Submit une copy to appropriate District Offlo											
	District IV 1220 South St. Francis Dr.							AMENDED REPORT				
	1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 											
	¹ Operator name and Address Merit Energy Company ² OGRID Number									PORI		
	13727 Noel Rd Suite 500							14591				
	Dallas, Texas 75240					0		³ Reason for Filing Code/ Effective Date				
	⁴ API Number			⁶ Pool Name					NW/11-22-2010			
	30-0 25-39879			IMPERIAL TUBB DRINKARD					33600			
	⁷ Property Code 306843			⁸ Property Name						^e Well Number		
	306843 Fanning B 2 II. ¹⁰ Surface Location 2						2					
	Ul or lot no				Lot Idn	Feet from the	North/Sou	<i>i</i> th	Feet from the	Eas	/West line	County
	A	33	235			990	N Line		330	EA	ST LINE	LEA
	11 Bo	ttom Ho		ation		· ·····						
	UL or lot no.	Section	Townsh	hip Range	Lot Idn	Feet from the	North/South	1 line	Feet from the	Eas	/West line	County
	¹² Lise Code ¹⁹ Producing Mi Code			ethod '' Gas Connection Date		¹⁵ C-129 Permit Number ¹⁶ C		-129 Effective (129 Effective Date 17 C-12		9 Expiration Date	
	III. Oil	and Gas	Trans	porters								
	¹⁸ Transporter ¹⁹ Transporter Name ²⁰ Q/G/W OGRID and Address ²⁰ Q/G/W						²⁰ O/G/W					
	Enterprise Crude Oil LLC, 210 Park Avenue, Suite 1600					OIL/GAS						
							Park Avenu	Je, S	Suite 1600			
	Oklahoma City, OK 73102-5630											
									· · · · · · · · · · · · · · · · · · ·			
	117 10/-0	A										

IV. Well Completion Data

²¹ Spud Date	²² Ready Date	²³ TD	²⁴ PBTD	²⁵ Perforations	* DHC, MC HDB-447		
8/27/2010	11/22/2010	6425		see attached			
²⁷ Hole Siz	28 Casing	28 Casing & Tubing Size		et	³⁰ Sacks Cement		
12-1/4	8-5/8		1140	575	5		
7-7/8	4-1/2		6425	110	0		

V. Well Test Data

(T)

t

³¹ Date New Oil ³² Gas Delivery Date		³³ Test Date	³⁴ Test Length	³⁵ Tbg. Pressure	³⁸ Csg Pressure		
11/10/2010		11/10/2010	24hr	-	100		
³⁷ Choke Size ³⁸ Oil		³⁹ Water	* Gas		⁴¹ Test Method		
	17	69	24		swab		
been complied with a	et the rules of the Oil Cons and that the information giv of my knowledge and beire	ven above is true and af.)	Approved by				
Cindy Chavez)		Title PERFECTION	ENVENTILER			
Title Regulatory An	alyst		Approval Date. JUN 2	4 2011			
E-mail Address			<u> </u>				
cynthia.chave	z@meritenergy com						
Date	Phone						
12/27/2010	972-628-1	603					

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New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



June 13, 2011

Matt Ogden Regulatory Analyst Merit Energy Company 13727 Noel Road, Suite 500 Dallas, TX 75240

Re: State A A/C 2 #3, API #30-025-08829 State A A/C 2 #5, API #30-025-08817 State A A/C 1 #48, API #30-025-09233

Dear Mr. Ogden,

As you requested, this is a Letter Rebutting the Presumption of Inactivity as to the above mentioned wells.

Please note that these wells will remain on in the inactive well list until the well(s) report production via a C-115.

Merit Energy Company (OGRID 14591) should provide a copy of this letter to the Oil Conservation District Office in order for Merit to affect the release of the C-104 for the Fanning B-2.

Please note that the rebuttal letter will expire on December 20, 2011; six months from the reported activity on the well.

Sincerely,

Katrielle allerholt

Gabrielle A. Gerholt OCD Attorney

EC: Daniel Sanchez, Compliance and Enforcement Manager Theresa Duran-Saenz, Legal Assistant E.L. Gonzales, Hobbs Manager

