

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87411
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

Revised August 1, 2011

HOBBS OCD

OIL CONSERVATION DIVISION

JUL 10 2012 1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

<p>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.)</p>		<p>WELL API NO. 30-025-09295 ✓</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Merit Energy Company</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator 13727 Noel Road, Ste. 500 Dallas, TX 75240</p>		<p>7. Lease Name or Unit Agreement Name State A A/C 1</p>
<p>4. Well Location Unit Letter C : 660 feet from the North line and 1980 feet from the West line Section 10 Township 25S Range 36E NMPM County Lea</p>		<p>8. Well Number 81 ✓</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)</p>		<p>9. OGRID Number 14591 ✓</p>
<p>10. Pool name or Wildcat Jalmat Tan Yates 7-Rivers/Unic 7-Rivers Queen 5</p>		<p>10. Pool name or Wildcat Langlie</p>

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/></p>
<p>OTHER: <input type="checkbox"/></p>	<p>OTHER: Downhole Commingle <input checked="" type="checkbox"/></p>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Drill out CIBP and commingle well 4/25/2012.

DHC-4427 corrected 8/24/2012

Spud Date:

Rig Release Date:

04/25/2012

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

SIGNATURE:

TITLE Regulatory Analyst

DATE 07/09/2012

Type or print name Matt Ogden

E-mail address: matt.ogden@meritenergy.com

PHONE: (972)628-1603

For State Use Only

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

AUG 29 2012

Conditions of Approval (if any):

Amended

AUG 29 2012