

Submit 1 Copy To Appropriate District Office
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 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

HOBBS OCD

OCT 17 2012

RECEIVED

OIL CONSERVATION DIVISION

220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-32907
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State of New Mexico 35
8. Well Number 1
9. OGRID Number 14591
10. Pool name or Wildcat Kemnitz; Atoka Morrow, South (Gas)

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Merit Energy Company	
3. Address of Operator 13727 Noel Road, Ste. 500 Dallas, TX 75240	
4. Well Location Unit Letter G : 1980 feet from the N line and 1980 feet from the E line Section 35 Township 16S Range 34E NMPM County Lea	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☒ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

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.

Merit Energy Company proposes to set CIBP at ~~1100~~ ^{11,990'} and run a MIT on this well to prove mechanical integrity. If we are successful in obtaining a good test we are requesting that this well be held in "temporary abandonment" status.

Rule 19.15.25.14

Set CIBP, RBP or Packer within 100 feet of uppermost
perfs or open hole Pressure test to 500 psi for 30 minutes with
a pressure drop of not greater than 10% over a
30 minute period

Spud Date:

Rig Release Date:

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

SIGNATURE

TITLE Regulatory Analyst

DATE 10/16/2012

Type or print name Matt Ogden

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

PHONE: (972)628-1603

For State Use Only

APPROVED BY:

TITLE

DATE 10-25-2012

Conditions of Approval: The Operator shall give the OCD District office 24 hours notice before work begins

Conditions of Approval: Notify OCD District office 24 hours prior to running the TA Pressure Test.

OCT 25 2012

Wellbore Diagram

Lease & Well No **State of New Mexico #35-1**
Field Name **South Kemnitz Atoka-Morrow Field**
Location **1980' FNL & 1980' FEL, Sec. 35, T16S, R34E**

Status **Active**
County & State **Lea County, NM**
API No. **30-025-32907**
Working Interest **52.50%**

Well Information

Spud **4/05/95** Ground Elevation. **4,052'** D F Elevation.
Completed **7/01/95** KB Elevation **4,070'** Total Depth **12,750'**

Pipe Data

Surface						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
17-1/2"	404'	13-3/8"	48#	H-40	455 sx	TOC @ surf
Intermediate						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
12-1/4"	4,703'	9-5/8"	40#	J-55	1,590 sx	TOC @ surf, 26 jts N-80, 80 jts J-55
Production						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
8-3/4"	12,750'	5-1/2"	17#	S-95, N-80	295 sx	TOC @ 11,227' CBL

Downhole Tubulars (Top to Bttm):	
As of 7/5/2009 1 jt 2-7/8" N80 tbg, 1 (10' .4') sub, 361 jts of 2-7/8" N80 tbg, on/off tool, 5-1/2" x 2-7/8" x 2 313 profile	
5-1/2" AS-1X packer @ 11,983'	

Well History

7/1/1995 Perforate Atoka Morrow 12,454'-12,466' (6spf, 60 deg). Frac with 2770 gals CO2 Alcofoam w/ 7400 lbs 20/40 prop
Averages 14 43 BPM, 8600# Max 14 7 BPM, 9064# IP after frac = 2191 MCF

5/1/2006 Install plunger lift equipment (tbg stop @ 12,311') Tight spot noticed @ 11,559'

6/8/2009 Fished plunger @ 12,311'. Tagged @ 12,484' (222' of fill)

6/10/2009 Install casing patch from 12,440'-471' (Isolate existing perfs) Perforate Morrow "A" from 12,578'-586' (60 deg 48 holes

6/16/2009 Set up for frac but pkr failed and fluid hit Morrow formation

6/18/2009 Spearhead 1200 gal 15% HCl, frac with 3000 gals CO2 foam, 39,135# 20/40 Bauxite Avg 7 1 BPM, 8040# Max 8912#
ISIP = 8865# -- 8mins = 8062# -- 40 mins = 2700#

6/24/2009 Set CBP @ 12,375', perf Atoka 12,080'-092' (6 SPF, 60 deg, 72 holes)

6/26/2009 Spearhead 1200 gal 7 5% HCl, frac w/ 3000 gals CO2 foam (30#), 56,060# 20/40 Bauxite Avg 9 45 BPM, 8824#
Max 9005# ISIP = 9005# - 1 hr = 2650#

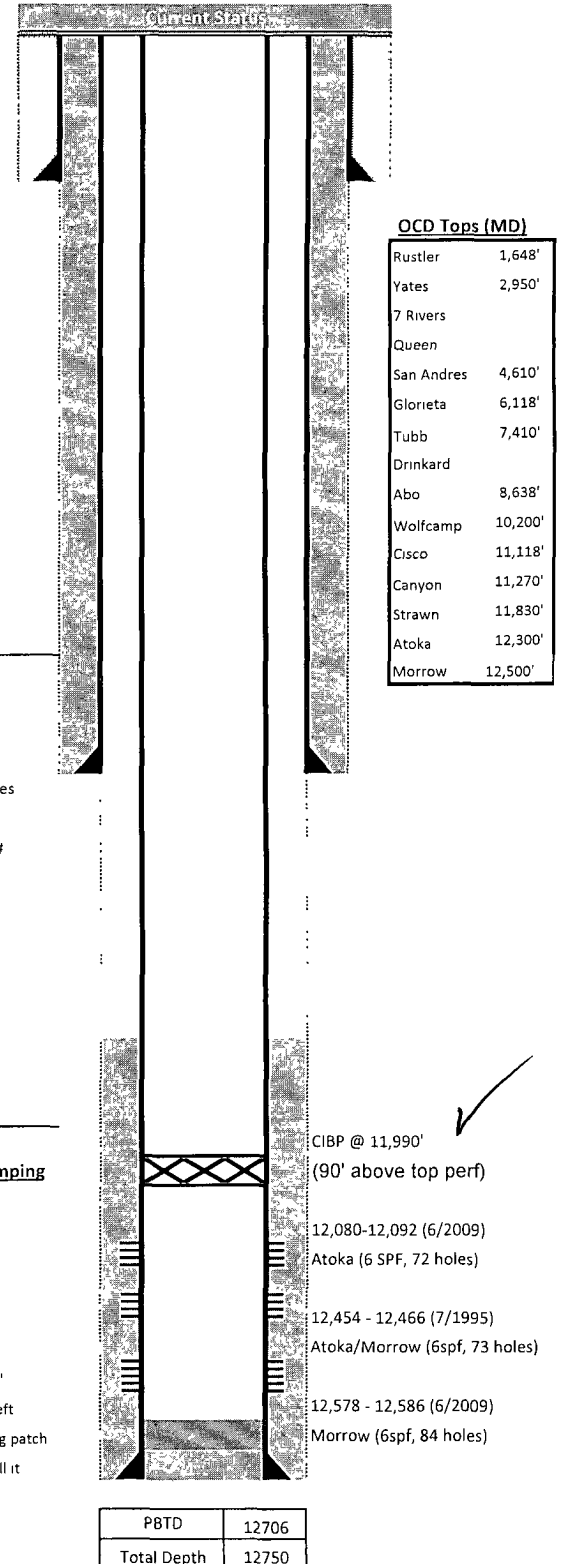
7/16/2009 Drill out CBP on 7/14 Pull csg patch Elements from casing patch left @ 12,430' (length of fish???)

7/25/2012 FL @ 4700' Swabbed to 12,034' -- recovered 50 bbls water (1 5-2 bbls per hour)

7/26/2012 FL @ 8300' Swabbed to SN Recovered 32 bbls water Opened well to line - no gas sales next day

7/27/2012 FL @ 9200' Swabbed to SN Recovered 52 bbls water (~2 bbls/hour fluid entry)

NOTE: ** Morrow is water sensitive formation. Foreman - pls consult w/Operations Manager prior to pumping any fluid downhole **



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