

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

John Bemis  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey  
Division Director  
Oil Conservation Division



December 19, 2012

Merit Energy Co. LLC  
ATT: Lynne Moon  
13727 Noel Road, Suite 500  
Dallas, TX 75240

RE: CANCELLATION OF INTENT TO DRILL

State of New Mexico 35 #5

Unit A, Sec. 35, T-16s, R-34e

API # 30-025-39921

Gentlemen:

Two years or more have elapsed since Division form C-101; Intent to Drill for the subject well was approved. To date no progress reports have been received. Therefore, approval of your permit to drill this well has expired and no operations are to be initiated without further notice to and approval by the Oil Conservation Division

If the work to drill this well has been done, please file subsequent reports (Form C-103) of this work immediately to bring this file into current status.

Truly yours,

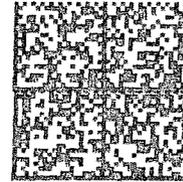
OIL CONSERVATION DIVISION

A handwritten signature in black ink that reads "Donna Mull". The signature is written in a cursive, flowing style.

Donna Mull, Line Manager, Hobbs OCD

CC: OCD Santa Fe  
OCD Hobbs  
BLM  
State Land Office

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



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**\$0.45**  
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Dallas, TX 75240