

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
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised August 1, 2011

HOBBS OCD
AUG 04 2016
RECEIVED

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)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 4052'

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 Gas Well Other

2. Name of Operator
Merit Energy Company

3. Address of Operator
13727 Noel Rd. Suite 1200
Dallas, Texas 75240

4. Well Location
 Unit Letter G : 1980 feet from the North line and 1980 feet from the East line
 Section 35 Township 16S Range 34E NMPM County Lea

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

NOTICE OF INTENTION TO:		SUBSEQUENT F	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	INT TO PA <input checked="" type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P&A NR <u> </u>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	P&A R <u> </u>
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

NOTIFY OCD 24 HOURS PRIOR TO BEGINNING PLUGGING OPERATIONS

Test anchors. Clear location.
 MIRU plugging rig. Disconnect wellhead. NU BOP.
 Release pkr. POOH w/tbg. & pkr.
 PU 5-1/2" bit & 2-7/8" tbg. RIH & tag CIBP @ 11990'.
 POOH w/tbg. & bit.
 RIH & perf & squeeze 25 sx. cmt @ 5500'. WOC & tag.
 Perf & squeeze 25 sx. cmt @ 4653' - 4753'. WOC & tag.
 Perf & squeeze 25 sx. cmt @ 1400'. WOC & tag.
 Perf & squeeze 25 sx. cmt @ 3' - 60'. 454' to surface.
 Cut off wellhead, rig anchors. Clean location. RDMO plugging rig.
 Set steel marker with operator name, lease name and well number & location, including unit letter, section, township & range.

Circ MLF & pressure test csg to 500psi
 Perf & SQZ 30 sx Class H' at 10,200' (WOLFCAMP) WOC & Tag at 10,100' or better
 Perf & SQZ 30 sx Class H' at 8600' (Abo) WOC & Tag at 8500' or better
 Perf & SQZ 25s at 2900' (B. SALT) WOC & Tag

Verify cmt to surface all strings

Spud Date: 04/05/1995

Rig R **NOTIFY OCD 24 HOURS PRIOR TO BEGINNING PLUGGING OPERATIONS**

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

SIGNATURE Lynne Moon TITLE Regulatory Manager DATE 08/02/2016

Type or print name Lynne Moon E-mail address: lynne.moon@meritenergy.com PHONE: (972)628-1569

For State Use Only

APPROVED BY: Mark Whitaker TITLE Petroleum Engr. Specialist DATE 8/10/2016

Conditions of Approval (if any):

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'

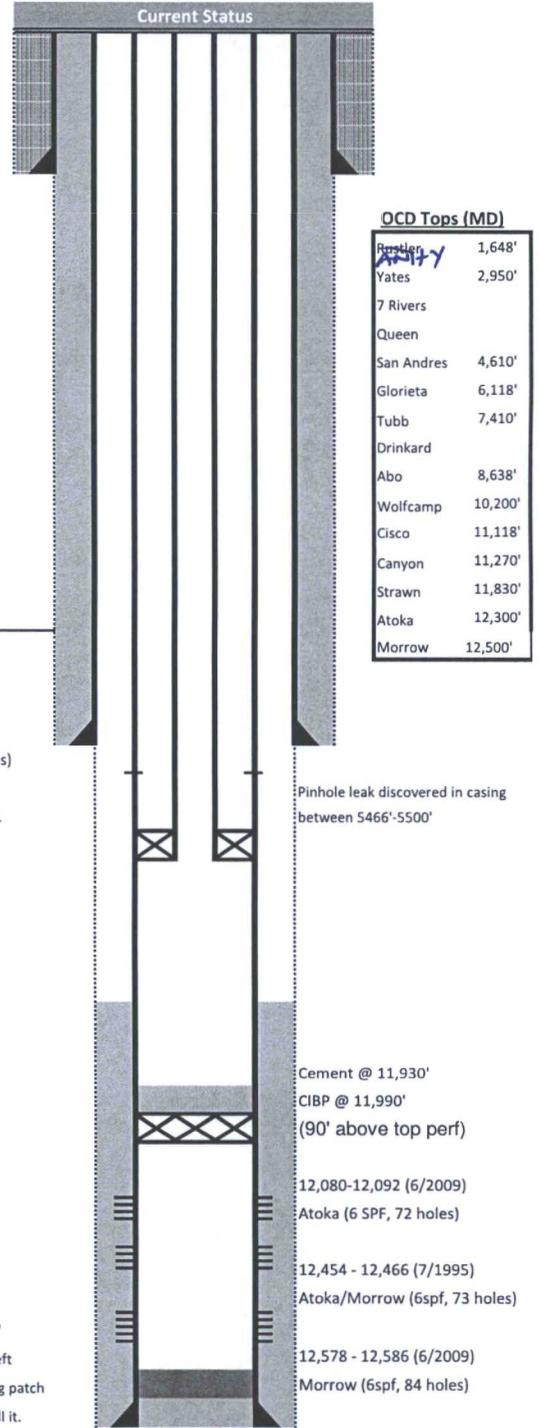
Pipe Data

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 2-3/8" 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)
- 10/10/2012** Discovered pinhole leak in 5.5" casing between 5466'-5500'.
- 10/12/2012** Set CIBP @ 11,990' and dropped 4 sx cement on top. Did not pass casing integrity test for TA status. Shut well in until plan of action for well is decided.
- 4/16/2013** Perf'd casing @ 5,500', couldn't pump into. Well pressured up but wouldn't hold (bled down ~14%).
- 4/18/2013** Ran tubing and packer, filled backside with gelled packer fluid - passed MIT



OCD Tops (MD)	
Rustler	1,648'
Yates	2,950'
7 Rivers	
Queen	
San Andres	4,610'
Glorieta	6,118'
Tubb	7,410'
Drinkard	
Abo	8,638'
Wolfcamp	10,200'
Cisco	11,118'
Canyon	11,270'
Strawn	11,830'
Atoka	12,300'
Morrow	12,500'

Pinhole leak discovered in casing between 5466'-5500'

Cement @ 11,930'
 CIBP @ 11,990'
 (90' above top perf)

12,080-12,092 (6/2009)
 Atoka (6 SPF, 72 holes)
 12,454 - 12,466 (7/1995)
 Atoka/Morrow (6spf, 73 holes)
 12,578 - 12,586 (6/2009)
 Morrow (6spf, 84 holes)

7/17/2009
 Last drilled down to 12,465'
 May be a sealing element left there from bottom of casing patch from when they tried to pull it.

PBTD	12706
Total Depth	12750

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

Wellbore Diagram

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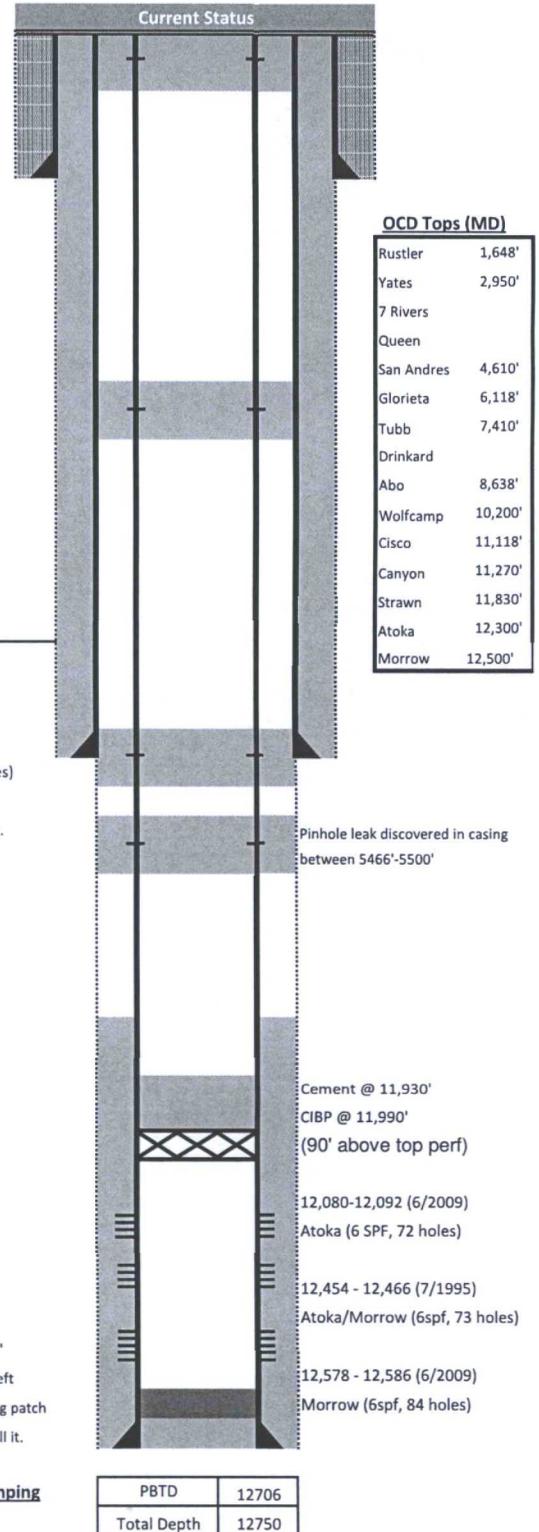
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