

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM052
2. Name of Operator MERIT ENERGY COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 13727 NOEL ROAD, SUITE 500, DALLAS, TEXAS 75240	3b. Phone No. (include area code) (972) 628-1610	7. If Unit or CA/Agreement, Name and/or No. NM709891 D
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UNIT LETTER I 2310' FSL & 990' FEL SEC. 35, T-19S, R-34E		8. Well Name and No. MESCALERO RIDGE #09 UNIT 35 359
		9. API Well No. 30-025-21264
		10. Field and Pool, or Exploratory Area PEARL, SEVEN RIVERS (QUEEN)
		11. County or Parish, State LEA NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

10/18/06:

CIRC. WELL W/ 9.5# EXA MUD; MIX & PUMP A 25 SX. CMT. PLUG @ 3925'; WOC & TAG TOP OF CMT. PLUG @ 3683'.

10/20/06:

PERF. @ 2,508'; MIX & SQZ. A 45 SX. CMT. PLUG @ 2508'-2308'.

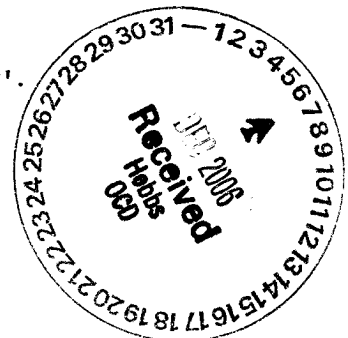
10/23/06:

PERF. @ 1,960'; MIX & SQZ. A 65 SX. CMT. PLUG @ 1,960'; WOC & TAG CMT. PLUG @ 1,722'.

10/24/06:

PERF. @ 265'; MIX & SQZ. A 100 SX. CMT. PLUG @ 265' BACK TO SURFACE.

DIG OUT & CUT OFF WELLHEAD 3' B.G.L.; INSTALL DRY HOLE MARKER.



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) DAVID A. EYLER		Title AGENT
		Date 11/07/06
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by	Title	ACCEPTED FOR RECORD DEC 5 2006 WESLEY W. INGRAM PETROLEUM ENGINEER
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.