

UNITED STATES **OCD-HOBBS**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

- 5. Lease Serial No.
NM 0141013
- 6. If Indian, Allottee or Tribe Name
- 7. If Unit or CA/Agreement, Name and/or No.
- 8. Well Name and No.
Phyllis Federal Well No. 1
- 9. API Well No.
30-025-31091
- 10. Field and Pool, or Exploratory Area
Quail Ridge - Bon Springs
- 11. County or Parish, State
Lea County, New Mexico

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Merit Energy Company

3a. Address
13727 Noel Road, Suite 500, Dallas, Texas 75240

3b. Phone No. (include area code)
972-628-1610

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 660' FEL Sec. 20, T-19-S, R-34-E

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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input checked="" type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input 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 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 recompleate 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 recompleation 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 site is ready for final inspection.)

The Phyllis Federal Well NO. 1 site is an active well and tank battery site. A fire occurred at the battery in 2004 and a damaged tank and catwalk has been left on the location.

On January 12, 15, and 16, 2007 a back-hoe was utilized to preform the reclamation activites. The fiberglass tank was broken down to smaller pieces, loaded onto a trailer and delivered to Lea County Landfill for disposal. The metal frm the catwalk and ladder was also loaded onto a trailer and delivered to the gack-hoe company to be salvaged.

Approximately 150 cubic yards of caliche was excavated from the edges of the location; reducing th size of hte location apprximately 30 feet by 100 feet. The caliche was placed on top of the drill pit location to cap the pit and prevent any additional migration of the contents. The caliche was spread and packed to a depth of approximately 12 inches. Excess caliche frm the location was utilized to build up the firewall around the tank battery. After removing the caliche, clean soil from under the caliche was spread approximately 12 inches thick on top of the caliche cap to serve as a seed bed for revegetation. The area was cntured in an attempt to match the surrounding grade.

On April 18, 2007 the site was prepared for seeding. A high nitrogen fertilizer was applied and a seed bed was prepared with a drag harrow. On April 26, 2007, under the supervision of a BLM field inspector the site was seeded with BLM blends #2 and #4. Immediately following the seed application the area was dragged with the harrow to cover the seed.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Larry M. Sanders

Title **Sr. Regulatory Analyst**

Signature

Larry M. Sanders

Date

06/08/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

JUN 14 2007

Approved by

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.

Title

Office

Date

**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

GW