

Office

Energy, Minerals and Natural Resources

June 19, 2008

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED**JUN 19 2009****HOBBSOCD**

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. /

30-025-20695

5. Indicate Type of Lease

STATE ☐FEE ☐Fed ☒

6. State Oil & Gas Lease No.

BLM NM- NM052

7. Lease Name or Unit Agreement Name

Mescalero Ridge 35 Unit ✓

8. Well Number ~~008~~ 358 ✓

9. OGRID Number 14591 ✓

10. Pool name or Wildcat

Pearl (Queen) ✓

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 ☒ Injector ✓

2. Name of Operator

Merit Energy Company

3. Address of Operator

13727 Noel Rd. Suite 500 Dallas, Texas 75240

4. Well Location

Unit Letter K : 1980 feet from the S line and 1980 feet from the W lineSection 35 Township 19S Range 34E NMPM Lea County ✓

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 ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

RU WL. Set blanket plug in profile nipple. Set plug. Bled off pressure. Got off on-off tool. TOO H w/tbg. Found 3 bad jts.; 1 jt. w/hole 20 jts. off bottom. Replaced on-off tool & hydro tested tbg. in hole. Check pressure. No pressure. Circulated pkr. fluid. ND BOP. Latch onto pkr. Flange up well. RUN MIT for 30 mins. Witnessed by Sylvia Dickey. Passed. RD.

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

*Lynne Moon*TITLE Regulatory ManagerDATE 06/17/2009Type or print name Lynne Moon

E-mail address: _____

PHONE: 972-628-1569

For State Use Only

APPROVED BY:

Larry W. Hill

TITLE

DISTRICT 1 SUPERVISORDATE JUN 24 2009

Conditions of Approval (if any)

