

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBSD

WELL API NO. 30-025-32958	✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	✓
6. State Oil & Gas Lease No. A-1320 & V-3836	
7. Lease Name or Unit Agreement Name Vacuum "31"	✓
8. Well Number 1	✓
9. OGRID Number 14591	✓
10. Pool name or Wildcat North Vacuum Atoka Morrow	✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4052' GR	

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 500 Dallas, Texas 75240

4. Well Location
Unit Letter O : 660 feet from the S line and 1980 feet from the E line
Section 31 Township 16S Range 35E NMPM County Lea

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Add.perfs; Fracture Stimulate ☒

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.
02/19/10 through 05/20/10:

MIRU. Kill well & POOH w/tbg. RIH w/plug & pkr. to 12206'. Load/test csg. to 500#. Swab fluid to 11200'. POOH LD tbg., pkr. & plug. Perf. 12640'-652'. Re-perf 12610'-617'; 6 spf. RIH w/pkr. to 12500'. EOT @ 12513'. RU Superior. Test lines to 10K. Frac w/26800# 20/40 bauxite sand + 117 tons CO2; 927 bbls. 7% KCL. AIR 19 BPM; AIP 9900#; ISIP 8289# 5 mins. 5617#; 10 mins. 5542#; 15 mins. 5486#. Well SI 1 hr. SITP 5300#. Open well to pit on 8/64" chk. Begin Flowback. RIH w/2-7/8" tbg. EOT @ 12420'.

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 Manager DATE 06/03/2010

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

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUN - 8 2010

Conditions of Approval (if any):

Rim