

State of New Mexico
Energy, Minerals and Natural Resources

RECEIVED

MAR 10 2011

HOBBSUCD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

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.)		WELL API NO. 30-125-35552
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Merit Energy Company		6. State Oil & Gas Lease No.
3. Address of Operator 13727 Noel Rd. Suite 500 Dallas, Texas 75240		7. Lease Name or Unit Agreement Name State A A/C 1
4. Well Location Unit Letter <u>P</u> : <u>660</u> feet from the <u>S</u> line and <u>660</u> feet from the <u>E</u> line Section <u>09</u> Township <u>23S</u> Range <u>36E</u> NMPM Lea County		8. Well Number <u>130</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 14591
10. Pool name or Wildcat 7 Rivers; Queen; Grybrg		

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: ☐

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.

Merit Energy Company proposes to run an MIT on this well to prove mechanical integrity.

If we are successful in obtaining a good test we are requesting that this well be held in "temporary abandonment" status.

Condition of Approval: Notify OCD Hobbs
office 24 hours prior to running MIT Test & Chart

Rule 19.15.25.14

Set CIBP, RBP or Packer within 100 feet of uppermost perfs. or open hole. Pressure test to 500 psi for 30 minutes with a pressure drop of not greater than 10% over a 30 minute period.

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 03/08/2011

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 STAFF MGR DATE 3-14-2011

Conditions of Approval (if any):