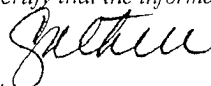


Submit To Appropriate District Office Two Copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505		State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505			Form C-105 July 17, 2008													
		1. WELL API NO. 30-025-39879																
		2. Type of Lease <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN																
		3. State Oil & Gas Lease No.																
WELL COMPLETION OR RECOMPLETION REPORT AND LOG																		
4. Reason for filing: <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)		5. Lease Name or Unit Agreement Name 6. Well Number: Fanning B 2																
7. Type of Completion: <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER																		
8. Name of Operator Merit Energy Company		9. OGRID 1491																
10. Address of Operator 13727 Noel Rd, Suite 500 Dallas, Texas 75240		11. Pool name or Wildcat Imperial Tubb Drinkard Tea Paddock Blinebry																
12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County								
Surface:	A	33	23S	37E		990	NORTH	330	EAST	LEA								
BH:																		
13. Date Spudded 8/27/2010	14. Date T.D. Reached 9/13/2010	15. Date Rig Released 11/4/2010			16. Date Completed (Ready to Produce) 11/22/2010			17. Elevations (DF and RKB, RT, GR, etc.) GR										
18. Total Measured Depth of Well 6425		19. Plug Back Measured Depth			20. Was Directional Survey Made?			21. Type Electric and Other Logs Run GR										
22. Producing Interval(s), of this completion - Top, Bottom, Name 5636-5850 TEA PADDOCK & 6196-5954 IMPERIAL TUBB DRINKARD																		
23. CASING RECORD (Report all strings set in well)																		
CASING SIZE		WEIGHT LB./FT.		DEPTH SET		HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED								
8 7/8		32		1140		12 1/2		375										
4 1/2		11.60		6425		7 7/8		575										
24. LINER RECORD																		
SIZE		TOP		BOTTOM		SACKS CEMENT		SCREEN										
25. TUBING RECORD																		
SIZE		DEPTH SET		PACKER SET														
2 3/8		6014																
26. Perforation record (interval, size, and number) SEE ATTACHED						27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>5636-5850</td> <td>1000 GAL 15% HCL</td> </tr> <tr> <td>6196-5954</td> <td>1000 GAL 15% HCL</td> </tr> <tr> <td></td> <td></td> </tr> </table>					DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	5636-5850	1000 GAL 15% HCL	6196-5954	1000 GAL 15% HCL		
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED																	
5636-5850	1000 GAL 15% HCL																	
6196-5954	1000 GAL 15% HCL																	
28. PRODUCTION																		
Date First Production 11/30/2010		Production Method (Flowing, gas lift, pumping - Size and type pump) PUMPING				Well Status (Prod. or Shut-in) PROD												
Date of Test 10/26/2010	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl 47	Gas - MCF 0	Water - Bbl. 0	Gas - Oil Ratio											
Flow Tubing Press.	Casing Pressure 100	Calculated 24-Hour Rate	Oil - Bbl. 47	Gas - MCF 0	Water - Bbl. 0	Oil Gravity - API - (Corr.) 26												
29. Disposition of Gas (Sold, used for fuel, vented, etc.) SOLD						30. Test Witnessed By												
31. List Attachments																		
32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.																		
33. If an on-site burial was used at the well, report the exact location of the on-site burial:																		
Latitude				Longitude				NAD 1927 1983										
I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief																		
Signature 			Printed Name CINDY CHAVEZ		Title REG ANALYST		Date 12/27/2010											
E-mail Address																		

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
T. Queen	T. Silurian	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock 4914	T. Ellenburger	Base Greenhorn	T. Granite
T. Blinbry 5337	T. Gr. Wash	T. Dakota	
T. Tubb	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs	T. Todilto	
T. Abo	T.	T. Entrada	
T. Wolfcamp	T.	T. Wingate	
T. Penn	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
No. 2, from.....to.....
No. 3, from.....to.....
No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology

From	To	Thickness In Feet	Lithology

Teaque, Paddock-Blinebry

Perforations:

5636-5639

5666-5670

5764-5770

5824-5828

5846-5850

Imperial Tubb Drinkard

Perforations:

6196-6200

6114-6118

6074-6078

6028-6032

5982-5986

5950-5954