

Submit 1 Copy To Appropriate District Office
 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 87411
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 October 13, 2009

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

HOBBS OCD
 MAY 24 2011

RECEIVED

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. 30-025-09233 ✓
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 Ste 500 Dallas, TX 75240		7. Lease Name or Unit Agreement Name State A A/C 1 ✓
4. Well Location Unit Letter N : 660 feet from the S line and 1980 feet from the W line Section 03 Township 23S Range 36E NMPM County Lea		8. Well Number 48 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3486 DF Elevation		9. OGRID Number 14591
		10. Pool name or Wildcat Jalmat: Tansill Yates Seven Rivers ✓

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input checked="" type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <u>Let to Prod</u> <input checked="" type="checkbox"/>	

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.

- 1 MIRU W/O Rig. RU H2S Equipment - Pre-job sfty mtg / Disc Pwr supply Lock/out Tag/out
- 2 ND HH; RU Rod Equipment; Unseat Pump and TOH with Rods / ND WH, NU BOPs w/ 2 3/8" Rams and Test / Rack Back Tubing
- 3 Inspect Rods and Tubing Replace if necessary; NU 4 3/4" Varel Bit and RIH to PBTD / TOH and Rack Back Tubing
- 4 NU MJ, PERF Sub, SN and Install Tbg String; Replace Pump with 2" x 2" x 12' RWTC, On/Off Tool and RIH with Rod String
- 5 CK Pump Action

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 [Signature] TITLE Regulatory Analyst DATE 05/23/2011

Type or print name Matt Ogden E-mail address: matt.ogden@meritenergy.com PHONE: (972)628-1603
For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAY 26 2011
 Conditions of Approval (if any):

Wellbore Diagram

Lease & Well No. **State A A/C 1 # 48**
 Field Name **Jalmat**
 Location **1980' FWL 660' FEL; Unit N, Sec. 03, T23S, R36E**

Status **Active**
 County & State **Lea County, NM**
 API No. **30-025-09233**
 Pool Name **Jalmat: Tansill Yates Seven Rivers**

Well Information

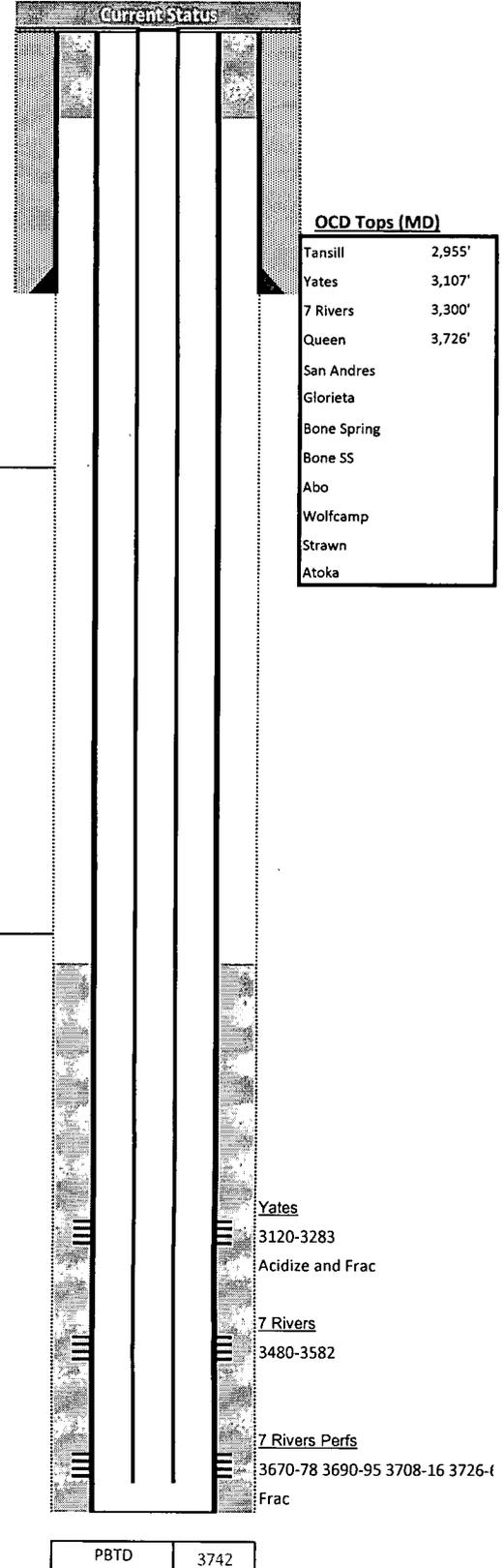
Spud: 3/07/59 Ground Elevation: _____ D.F. Elevation: 3,486'
 Completed: _____ KB Elevation: _____ Total Depth: _____

Pipe Data

Surface						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
	314 ft	8 5/8"				
Production						
Hole size	Depth	Size (OD)	Weight	Grade	Sx. Cmt	Comments
	3799 ft	5-1/2"	14.0#	J-55	250 sx	TOC = 2575' Temp Survey
Downhole Tubulars (Top to Bttm):						
118 jts 2 3/8" 114 Oilwell Pump Jack, 54" stroke						
PR, 36-7/8" rods, 109-3/4" rods, 2" x 1 1/2" x 12' RWTC						

Well History

- 3/14/1959** Queen: Perf 3670-78, 3690-95, 3708-16, 3726-60 w/4 spf; Stimulate with 25000 gals oil and 40,000# 20/40 sand IP: 400 BO and 135 BW
- 10/9/1990** Set RBP @ 3650; Isolate Casing Leak 390-460 ft; PU 5 1/2" - Pulled in two; Recovered 422 ft 5 1/2" RIH with Tbg and pkr Set @ 565' / RIH w/ 7 5/8" Cutrite shoe, O.S. and 5 1/2 Dress Fish @ 531' / L/O / Unset Pkr; TOH Install 17 jts 5 1/2" / Perf 7 Rivers 3480 82, 92, 3526, 29, 33, 59, 63, 78, 80, 82; Set Pkr - could not BD; Set RBP @ 3451
- 10/17/1990** Perf Yates 3120, 3126, 3131, 51, 53, 58, 67, 85, 87, 90, 3212, 14, 15, 83
- 10/19/1990** Acidize with 2000 gals and stimulate with 196000# 12/20 and 1600 bbls gel / Screen-Out IP: 432 MCFD
- 12/2/1990** Sandline Parted; Left 15' Line in hole
- 12/4/1990** Bad spot in casing @ 520' / PU 4 7/8" Mill and Dress Off / PU O.S and Recover Fish / Retrieve Both RBPS
- 12/5/1990** Tag Bottom @ 3742'
- 4/30/1992** Water Analysis: 18460 Mg/L Chlorides
- 8/28/1996** Acidize with 1000 gals 15% HCL
- 11/1/2001** Replace Pump; 54" Stroke @ 8 spm
- 10/1/2007** Water Analysis: 14,000 Mg/L Chlorides



Procedures

- 1 MIRU W/O Rig. RU H2S Equipment - Pre-job sfty mtg / Disc Pwr supply Lock/out Tag/out
- 2 ND HH; RU Rod Equipment; Unseat Pump and TOH with Rods / ND WH, NU BOPs w/ 2 3/8" Rams and Test / Rack Back Tubing
- 3 Inspect Rods and Tubing Replace if necessary; NU 4 3/4" Varel Bit and RIH to PBDT / TOH and Rack Back Tubing
- 4 NU MJ, PERF Sub, SN and Install Tbg String; Replace Pump with 2" x 2" x 12' RWTC, On/Off Tool and RIH with Rod String
- 5 CK Pump Action