RECEIVED SEP 26 2005

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL PLUGGING APPLICATION
Please TYPE Form and File ONE Copy

API # 15-21044 - O O O (Identifier Number of this well). This must be listed for wells drilled since 1967; If no API # was issued, indicate original spud or completion date 09/14/04 (Spud).

Well Operator: Merit Energy Company
Address: 13727 Noel Rd. Suite 500
City: Dallas
State: Texas
Zip Code: 75240
Contact Phone: (972) 628-1569
Lease: Lucas "A"*
Well #: 1
Sec. 35 Twp. 30 S. R. 39 East

NW SW SE SE Spot Location / QQQQ County: Stanton

618 Feet (in exact footage) From North / South (from nearest outside section corner) Line of Section (Not Lease Line)

1200 Feet (in exact footage) From East / West (from nearest outside section corner) Line of Section (Not Lease Line)

Check One: Oil Well Gas Well D&A Catholic Water Supply Well

Conductor Casing Size:
Set at:
Cemented with:

Surface Casing Size: 8-5/8"
Set at: 1776'
Cemented with:

Production Casing Size: 5-1/2"
Set at: 5889'
Cemented with:

List (ALL) Perforations and Bridgeplug Sets: 5719-5738'; CIBP @ 5706'; 5648-56'

Elevation: 3167' (G.L. / K.B) T.D.: 6150' PBTD: 5706' Anhydrite Depth: (Stone Coral Formation)

Condition of Well: Good Poor Casing Leak Junk in Hole

Proposed Method of Plugging (attach a separate page if additional space is needed): Will be plugged according to KCC regulations

Is Well Log attached to this application as required? Yes No Is ACO-1 filed? Yes No

If not explain why? Previously filed

Plugging of this Well will be done in accordance with K.S.A. 55-101 et, seq. and the Rules and Regulations of the State Corporation Commission.

List Name of Company Representative authorized to be in charge of plugging operations: Chris Dennis
Address:
City / State:

Plugging Contractor: Eagle Well Service
Address: 936 Ulysses Parkway Ulysses, Kansas 67880

Proposed Date and Hour of Plugging (If known?): 10/15/05

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Date: 09/22/05 Authorized Operator / Agent (Signature)

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
July 7, 2005

60 days → Sept. 7

Merit Energy Company
Attn: Elizabeth Lyon
13727 Noel Rd. Suite 500
Dallas, TX 75240

RE: Lucas A #1
NW SW SE SE Sec. 35-30S-39W
Stanton County, Kansas

Dear Elizabeth Lyon,

The above described well under your operation has been abandoned and unplugged longer than 90 days. There is no current record at the Conservation Division that temporary abandonment status has been requested or that the well has been plugged.

Current Commission Regulation 82-3-111 states that an operator must either 1) return the well to service, 2) plug the well or, 3) give notice of the temporary abandonment on the prescribed application forms to the Division within 90 days after operations have ceased on the well.

This letter serves as notice that the above described well must be plugged immediately or classified as a temporary abandoned well by filing a CP-111 form with the Conservation Division. If no action is taken within 60 days from the date of this letter, this matter will be turned over to the legal department. You will then be subject to a $100 penalty and possible license suspension until you have complied with the regulation. If you have any questions concerning this matter, please call me at 620-225-8888.

Sincerely,

Steve Durrant

Conservation Division, District No. 1, 210 E. Frontview, Suite A, Dodge City, KS 67801
Voice 620.225.8888 Fax 620.225.8885 www.kcc.state.ks.us
NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

Merit Energy Company
13727 Noel Rd., Ste 500
Dallas, TX 75240

September 27, 2005

Re: LUCAS A #1
API 15-187-21044-00-00
NWSWSESE 35-30S-39W, 618 FSL 1200 FEL
STANTON COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division is in receipt of your plugging proposal, form CP-1, for the above-captioned well.

Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113 (b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit.

The Conservation Division’s review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator’s legal right to plug the well.

This notice in no way constitutes authorization to plug the above-captioned well by persons not having legal rights of ownership or interest in the well. This notice is void after ninety (90) days from the above date.

Sincerely

David P. Williams
Production Supervisor

District: #1
210 E Frontview, Suite A
Dodge City, KS 67801
(620) 225-8888