Form 3160-5 (April 2004) UNITED STATES

| FORM APPROVED |
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| OM B No 1004-0137 |
| Expires: March 31, 2007 |

| (April 2004) | DEPARTMENT OF THE INTERIOR - TALESTA | | | OM B No 1004-0137 Expires: March 31, 2007 | |
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| BUREAU OF LAND MANAGEMENT | | | 5. Lease Serial No. LC-029395-B | | |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. | | | | If Indian, Allottee or Tribe Name | |
| SUBMIT IN TRIPLICATE- Other instructions on reverse side. | | | | 7. If Unit or CA/Agreement, Name and/or No. | |
| 1. Type of Well Oil Well | Gas Well Other AUG 13 2007 | | 8. Well Name and No. | | |
| 2. Name of Operator Merit Energy Company OCD-A | | | OCD-ARTESIA | Turner "B" Well No. 32 9. API Well No. | |
| 3a Address 13727 Noel Road, Suite 500, Dallas, Texas 75240 | | 3b. Phone No. (inc. 972-628-1610 | lude area code) | 30-015-05191 10. Field and Pool, or Exploratory Area | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | Grayburg-Jackson | |
| 330' FSL & 1650' FEL Sec. 17, T-17-S, R-31-E | | | | 11. County or Parish, State Eddy County, New Mexico | |
| 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, R | | | | | |
| TYPE OF SUBMISSION | TROTRIATE BOX(ES) TO | | YPE OF ACTION | LIONI, ON OTHER DATA | |
| Notice of Intent Subsequent Report | Acidize Alter Casing Casing Repair | Deepen Fracture Treat New Construction | Production (Start/Resume) Water Shut-Off Reclamation Well Integrity ruction Recomplete Other | | |
| Final Abandonment Notice | Change Plans Convert to Injection | Plug and Abando Plug Back | n | andon | |
| determined that the site is ready 07/09/2007 - Conduct MIT Requeste Ten | for final inspection.) For well integrity, well tested inporarily Abandonment for the second | d OK, witnessed by E 5 years. | BLM Inspector. Origina | ation, have been completed, and the operator has all chart attached. TED FOR RECORD | |
| 8/8/08 | | | | | |
| | | | | IG 13 2007 | |
| Gerry Guye, Deputy Field Inspector NMOCD-District II ARTESIA | | | | | |
| 14. I hereby certify that the fore Name (Printed/Typed) | going is true and correct | | | | |
| Larry M. Sander | rs | Title | Title Sr. Regulatory Analyst | | |
| Signature Vany | mande | Date | 07 | 7/20/2007 VED | |
| | THIS SPACE FOR | FEDERAL OR | STATE OFFICE | 0357 | |
| Approved by Conditions of approval, if any, are a certify that the applicant holds legal which would entitle the applicant to | or equitable title to those rights conduct operations thereon. | in the subject lease | Title Office | Date 8 2001 AND RICK WRIGHT make to rany department or agency of the United | |
| States any false, fictitious or fraudule | ent statements or representations | a crime for any person as to any matter within | its jurisdiction. | make to rany department or agency of the United | |

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

