Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR RUBEALLOGIAND MANAGEMENT

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993

BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. NMNM54184 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well Other (1) //1) 8. Well Name and No. 2. Name of Operator Dunn B Federal # / 2 Melrose Operating Co 9. API Well No. 3. Address and Telephone No. 30-015-0/80 PO Box 5061, Midland, TX 79704 10. Field and Pool, or Exploratory Are 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Artesia (QN-GB-SA) 660 FNL, 660 FEL, A 11. County or Parish, State Sec. | , T18S, R28E Eddy Co., NM 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Final Abandonment Notice Altering Casing Conversion to Injection M Other Change of Operator Dispose Water (Note: Report results of multiple completion on Completion or Recompletion Report and Log for 13. Describe Proposed or Completed Operations (Clearly state all pertinet details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markders and zones pertinent to this work.)* As required by 43 CFR 3100.0-5(A) and 43 CFR 3162.3, we are notifying you of change of operator on the above referenced well. Melrose Operating Co. as new operator accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease or portion of lease described. Bond Coverage: Statewide Bond - State of New Mexico BLM Bond File No.: WM 2160 Former Operator: SDX Resources, Inc. Change of Operator Effective: December 1, 1999 Title Vice-President

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.