Drawer DD Artesia, NM 88210

Form 31603 UNITED STATES FORM APPROVED (June 1990) Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. NM-68038 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 XX Oil Well 8. Well Name and No. 2. Name of Operator Atlantic Fed. Morexco, Inc. 9. API Well No. 3. Address and Telephone No. 30-015-25931 P. O. Box 481, Artesia, NM 88211-0481 10. Field and Pool, or Exploratory Area 505-746-6520 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) N. Shugart Bone Springs Sec. 5: T18S, R31E 11. County or Parish, State 660' FNL & 1980' FEL NW/4NE/4, Unit Letter B Eddy County, NM 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 Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other Change of Operator Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinent 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 markers 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 a change of operator on the above referenced lease. Morexco, Inc., as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the lease or portion of lease described. Morexco, Inc. meets federal bonding requirements as follows (42 CFR 3104): Bond Coverage: Statewide BLM Bond File No.: NM 1583 The effective date of this change is August 1, 1995. 14. I hereby certify that the foregoing is true and correct Production Clerk (This space for Federal or State office use) Approved by ______ Conditions of approval, if any:

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