UNITE STATES Form 3160-5 FORM APPROVED DEPARTMENT OF THE INTERIOR (June 1990) Budget Bureau No. 1004-0135 BUREAU OF LAND MANAGEMENT Expires: March 31, 1993 5. Lease Designation and Serial No. NM0544986-B **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 Oil Gas 8. Well Name and No. X Well Well Other 2. Name of Operator Leah 31 Fed 1 Merit Energy Company 9. API Well No. 3. Address and Telephone No. 30-015-27624 12222 Merit Drive, Suite 1500, Dallas, TX 75251 (214) 701-8377 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 330' FEL West Sand Dunes Delaware Sec. 31 T23S R31E (Unit I) 11. County or Parish, State Eddy, NM 12. HECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Recompletion Subsequent Report Plugging Back *81 27 1*995 Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other Change of operator Dispose Water Completion or Recompletion Report and Log form 13. Describe Proposed or Completed Operations (Clearly state all pertinent detail, and give pertinent dates, including estimated date of starting any proposed work. If well is directly 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 change of operator on the above referenced lease. Merit Energy Company, as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the lease or portion of lease described. Merit Energy Company meets federal bonding requirements as follows (43 CFR 3104):

Bond Coverage: Statewide

BLM Bond File No.: Letter of Credit No.: LASB218432

The effective date of this change is October 1, 1995.

14. I hereby certify that the foregoing is true and correct

Signed

Title Regulatory Manager

10/13/95

Approved by Conditions of approval, if any:

Title

Date

Date

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