NM OIL CONS. Comission

Drawer DD

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

or representations as to any matter within its jurisdiction

(This space for Federal

UNITED STATES DEPARTMENT OF THE INTERIOR FORM APPROVED

5-14-93

Artesia, NM 88210 Form 3160-5 Budget Bureau No. 1004-0135 (June 1990) Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No NM031963 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 Well 8. Well Name and No. Sundance Federal 4 2. Name of Operator 9 API Well No. Merit Energy Company 30-015-27390 3. Address and Telephone No 12221 Merit Drive, Suite 500, Dallas, TX 75251 (214) 701-8377

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 10. Field and Pool, or Exploratory Area Sand Dunes W., Delaware 11. County or Parish, State 1980 FEL & 660 FML Eddy Sec. 5 T24S R31E CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12 TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Notice of Intent Abandonment **New Construction** Recompletion Non-Routine Fracturing Subsequent Report Plugging Back Water Shut-Off Casing Repair Conversion to Injection Final Abandonment Notice Altering Casing 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.)* Merit Energy hereby requests approval to change the setting depthof the intermediate casing. We estimate the base of salt to be at 3890'. We therefore wish to set the intermediate casing at 4060' instead fo the originally proposed depth of 4200'. Also, we wish to change the size of the intermediate casing hole to 11" instead of the permitted 12 1/4". This change was made for cost saving reasons and due to washout common in the area. This change should in no way cause problems with cementing operations. Cement volumes will be altered to achieve circulation to the surface.

Approved by Conditions of app 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

Title Regualtory Manager