

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000**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.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on reverse side. FEB 10 2005

| | | | |
|--|--|--|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMLC029395B | |
| 2. Name of Operator MERIT ENERGY COMPANY | | 6. If Indian, Allottee or Tribe Name | |
| 3a. Address 13727 NOEL RD STE 500 DALLAS, TX 75240 | | 7. If Unit or CA/Agreement, Name and/or No. | |
| 3b. Phone No. (include area code) Ph: 972-628-1630 Ext: 630 Fx: 972-960-1252 | | 8. Well Name and No. TURNER B 101 | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 20 T17S R31E NWNW 990FNL 1150FWL | | 9. API Well No. 16015-26695-00-S1 | |
| | | 10. Field and Pool, or Exploratory GRAYBURG | |
| | | 11. County or Parish, and State EDDY COUNTY, NM | |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|---|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input checked="" type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or to recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

REQUEST T&A STATUS: This well has potential future use as a 7 Rivers producer, it is in the immediate vicinity of our pilot flood.

1. MIRU SL / pull RBP (watch for pressure under plug) - drift for CIBP to top perf
2. RIH w/CIBP - need to set as close to 50' above perms as possible (I'd recommend dump bailing cmt on top of BP).
3. Fill wellbore w/corrosion inhibited fluid & pressure test for 30 min (no less than 10% allowable leakoff) - contact BLM 24 hrs prior to test
4. Do not leave any tubulars in the hole.
5. The BLM requires bradenhead test be performed.

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| 14. I hereby certify that the foregoing is true and correct. | |
| Electronic Submission #51750 verified by the BLM Well Information System For MERIT ENERGY COMPANY, sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 12/09/2004 (05LA0168SE) | |
| Name (Printed/Typed) BEV L HATFIELD | Title SR: REGULATORY ANALYST |
| Signature (Electronic Submission) | Date 12/09/2004 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------------|-----------------|
| Approved By ALEXIS C SWOBODA | Title PETROLEUM ENGINEER | Date 02/08/2005 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office Carlsbad |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **