

N.M. Oil Cons. DIV-Dist. 2
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
300 W. Grand Avenue
Alamogordo, NM 88210

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		RECEIVED FEB 23 2005
2. Name of Operator Merit Energy Company		
3a. Address 13727 Noel Road, Suite 500, Dallas, Texas 75240	3b. Phone No. (include area code) 972-972-1630	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FNL, 2310 FEL, Sec 17, T 17S, R 31E		

5. Lease Serial No. LC-049998(a)
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. Last Chance Federal #1
9. API Well No. 30-015-24450
10. Field and Pool, or Exploratory Area Grayburg-Jackson
11. County or Parish, State Eddy

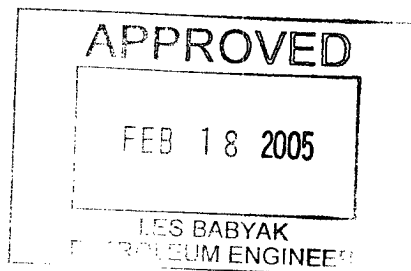
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 checked="" type="checkbox"/> Plug and Abandon	<input 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 recompleat 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 recompleat 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.)

- Set 30 sx cmt plug from 2587' - 2101', (tagged with tubing on 02-08-05).
- Set 30 sx cmt plug from 1560' - 1404', (tagged with tubing on 02-11-05).
- Set 60 sx cmt plug from 624' - surface. (02-14-05).
- Cut off and removed wellhead and install dryhole marker.

Approved as to plugging of the well bore.
 Liability under bond is retained until
 surface restoration is completed.



14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

Tommy Taylor

Title **District Manager-TETRA Applied Technologies, L.P.**

Signature

Tommy Taylor

Date

2/16/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

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.

Title

Date

Office

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.

(Instructions on page 2)