Oil Cons. N.M. DIV-Dist. 2 1301 W. Grand Avenue orm 3160-5 \ Artesia, NM 88210 FORM APPROVED UNITED STATES ebtember 2001 OMB No. 1004-0135 Expires January 31, 2004 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 5. Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NMNM0454018 abandored well. Use Form 3160-3 (APD) for such proposals. Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well NMNM109696 Oil Well A Gas Well Other Well Name and No. Name of Operator MOUNDS FEDERAL COM #1 MARBOB ENERGY CORPORATION API Well No. 3b. Phone No. (include area code) 30-015-32431 3a. Address PO BOX 227, ARTESIA, NM 88211-0227 (505) 748-3303 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) CARLSBAD; MORROW, SOUTH 11. County or Parish, State 1980 FNL 760 FWL, SEC. 4-T22S-R27E, UNIT E EDDY CO., NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) ☐ Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Recomplete Other Subsequent Report Change Plans Plug and Abandon Temporarily Abandon ☐ Final Abandonment Notice Convert to Injection Plug Back ■ 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 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.) FRACED THE EXISTING MORROW PERFS @ 11180' - 11539' W/ 167K GAL FLUID AND 150K# PROPPANT. RETURNED THE WELL ACCEPTED FOR RECORD TO SALES ON 6/24/04. 2 2004 JUL LES BABYAK PETROLEUM ENGINEER 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title PRODUCTION ANALYST DIANA Signature Date JULY 1, 2004 THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Conditions of approval, if any, are attached. Approvable this notice does not warrant or certify that the applicant holds legal or equitable file to those rights in the subject lease which would entitle the applicant to conduct operations thereon. 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.

Title