UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

| FORM APPROVED |
|------------------------|
| OM B No 1004-0137 |
| Expires. March 31, 200 |

| | Expires. | March 3 | 1,2 |
|-------------|----------|---------|-----|
| Langa Cario | 1 Ma | | |

OCD Artesia

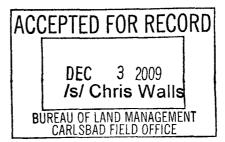
| SUNDRY NOTICES AND REPORTS ON W | UNDRY | ON WELLS | j |
|---------------------------------|-------|----------|---|
|---------------------------------|-------|----------|---|

| | LC-029435-B |
|----|-----------------------------------|
| 6. | If Indian, Allottee or Tribe Name |

| SUNDRY | NOTICES AND RE | PORTS ON WEI | LLS | LC-0294 | 435-B |
|---|---|---|---|------------------|---|
| Do not use th | nis form for proposals ell. Use Form 3160-3 (| to drill or to re-e | nter an | 6. If Indian, | Allottee or Tribe Name |
| SUBMIT IN TR | IPLICATE- Other inst | tructions on rever | se side. | 7. If Unit or | CA/Agreement, Name and/or No |
| l Type of Well Oil Well | Gas Well Other | | | 8 Well Nan | |
| 2. Name of Operator Merit Energy | v Company | | | J L Kee | |
| 3a Address | | 3b Phone No (include | area code) | 9. AFI WE | |
| 13727 Noel Rd. Suite 50 Dallas | , Texas 75240 | 972-628-1569 | | 10. Field and | Pool, or Exploratory Area |
| 4 Location of Well (Footage, Sec., | T, R, M., or Survey Description) | , | | Graybu | rg-Jackson |
| 1930' FNL & 714' FEL; Sec. 0 | 8_T178_D31F | | | 11 County o | or Parish, State |
| 1550 FRE & 714 FEE, 500. V | | | | Eddy C | o., New Mexico |
| 12. CHECK AI | PPROPRIATE BOX(ES) TO | INDICATE NATUR | E OF NOTICE, R | EPORT, OR | OTHER DATA |
| TYPE OF SUBMISSION | | TYF | PE OF ACTION | | |
| Notice of Intent ✓ Subsequent Report ☐ Final Abandonment Notice | Acidize Alter Casing Casing Repair Change Plans Convert to Injection | Deepen Fracture Treat New Construction Plug and Abandon Plug Back | Production (Sta Reclamation Recomplete Temporarily Ab | , | Water Shut-Off Well Integrity Other Put well to injection |
| If the proposal is to deepen dire | ed Operation (clearly state all perticularly or recomplete horizontal | inent details, including estir lly, give subsurface location | mated starting date of an | e vertical depth | rk and approximate duration thereof s of all pertinent markers and zones |

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.)

10/30/2009 Turned the well to injection. 103 BWPD; 1525 psi.



| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) | | | |
|---|--------------------------|------------|--|
| Lynne Moon | Title Regulatory Manager | | |
| Signature In Moon | Date | 11/11/2009 | |
| THIS SPACE FOR FEDERA | L OR STATE C | OFFICE USE | |
| Approved by | Title | Date | |
| Conditions of approval, if any, are attached Approval of this notice does not warracertify that the applicant holds legal or equitable title to those rights in the subject lewhich would entitle the applicant to conduct operations thereon | | | |

Title 18 USC Section 1001 and Title 43 USC 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)

office of the selection Alab ben and