N.M. Oil Cons. Division P.O. Box 1980 Form 3160-5 FORM APPROVED UNITED STATES Hobbs, NM 88241 Budget Bureau No. 1004-0135 (June 1990). DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. 3 SUNDRY NOTICES AND REPORTS ON WELLS NM 86925 Dongt use this form for proposals to drill or to deepen or reentry to a different reservoir. 6. If Indian, Allottee or Tribe Name Use "APPLICATION FOR PERMIT - " for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well X Oil Well 8. Well Name and No. Pronghorn '12' # 1 2. Name of Operator Federal Meridian Oil Inc. 9. API Well No. 3. Address and Telephone No. 30-025-33538 P.O. Box 51810, Midland, TX 79710-1810 915-688-6943 10. Field and Pool, or exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Diamondtail Bone Spring 660' FNL & 2310' FWL Sec. 12, T23S, R32E 11. County or Parish, State NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION X Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other Change Casing Program 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.)* Meridian Oil Inc. respectfully requests permission to change the size of the production stringto be ran on the above referenced well to the following: Run 4 1/2" 11.6# K-55 LTC csg to a depth of 9200'. Will use same amount of cmt as originally permitted however, due to the hole size of 7 7/8 with a smaller csg, the estimated TOC will be +/-7000'. Will not tie back into the intermediate string. 14. I hereby certify that the foregoing is true and correct Title Regulatory Compliance Signed (This space for Federal or State office in PETROLEUM ENGINEER Approved by Conditions of approval, if any

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 or representations as to any matter within its jurisdiction.