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Form 3160-3
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

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.

5 Lease Serial No
LC - 0702807

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1 Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Hudson Oil Company of Texas

3a Address
616 Texas Street
Fort Worth, Texas 76102

3b Phone No (include area code)
817-336-7109

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
330' FSL & 1980' FWL, Unit N, Sec. 28, Township 28 South, Range 30 East

7. If Unit of CA/Agreement, Name and/or No

8 Well Name and No.
Federal #7

9. API Well No
30-015-04709

10 Field and Pool or Exploratory Area
Dos Hermanos 7R

11 Country or Parish, State
Eddy County, New Mexico

12. CHECK THE 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 type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" 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 recompleate 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 must be filed within 30 days following completion of the involved operations If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection)

Convert to SWD after OCD - BLM approval

1. RU clean out well bore and open hole to TD
2. Acidize open hole as needed
3. RIH w/ 2 7/8 tbg & pkr set @ 1600'
4. Pressure test as required
5. Inject into 7R formation as approved
6. File Sundry Notice w/ BLM & OCD

Rejected - See attached
mm diagram
8/9/2010

Accepted for record

NMOCD RF
8/31/10

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

E Randall Hudson III

Title Vice President

Signature

Date 08/20/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)

**Federal 7
30-015-04709
Hudson Oil Company of Texas
August 9, 2010**

The proposal for converting this well to an injection well is being rejected for the following reasons:

- 1. The well is within less than a mile of open mine works.**
- 2. The injection zone is proposed for the Seven Rivers formation, which grades into the Capitan Reef. As no confining formation appears to exist to prevent the injection waters from migrating to the Capitan Reef, the injection proposal is rejection.**
- 3. For the proposal to merit further review, the operator will need to show geologically that a confining barrier exists. If a barrier exists, the operator will then be required to conduct an injection profile test to confirm that the injection water will remain in the injection interval.**

WWI 080910