

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014**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.
NMNM048989A6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

DEC 17 2014

8. Well Name and No.
Lybrook O35-2308 01H2. Name of Operator
Ercana Oil & Gas (USA) Inc.9. API Well No.
30-045-355253a. Address
370 17th Street, Suite 1700 Denver, CO 802023b. Phone No. (include area code)
720-876-586710. Field and Pool or Exploratory Area
Alamito-Gallup4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 273' FSL and 1391' FEL Section 35, T23N, R8W
BHL: 330' FSL and 1720' FEL Section 2, T22N, R8W11. County or Parish, State
San Juan, NM

12. CHECK THE 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 checked="" 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 checked="" type="checkbox"/> Other <u>Production</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Liner/Cement</u>
	<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 must 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 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.)

Utilized high performance water based mud from intermediate casing point (4958'MD) to TD of lateral.

Kicked off lateral at 3931' on 10/29/14. Landed lateral at 5328' on 11/01/14. Length of lateral: 4652'. TD of 9980'MD/4787'TVD reached 11/02/14. Set production liner 11/03/14.

Hole diameter: 6.125", production string diameter: 4.5", production string weight and grade: 11.6# SB80 LTC. Depth of 6.125" hole from 5054'-9980'MD. Float shoe at 9978'MD. Float collar at 9977'MD. Production liner set from 4828'-9980'MD.

Pumped (11/03/14) 281 sacks Premium Lite High Strength FM + 0.7% bwoc R-3 + 3% bwow Potassium Chloride + 0.25lbs/sack Cello Flake + 0.5% bwoc CD-32 + 1.15% bwoc FL-52A + 60 lbs/sack Calcium Carbonate + 124.4% Fresh Water. Yield 2.63 cuft/sk. on 10/05/14. Circulated 30bbbls to surface.

Rig released 11/03/14 ✓

OIL CONS. DIV DIST. 3

ACCEPTED FOR RECORD

DEC 24 2014

DEC 18 2014

FARMINGTON FIELD OFFICE

BY: William Tambekou

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

Cristi Bauer

Title Operations Technician

Signature

Cristi Bauer

Date

12/16/14

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)

NMCCD AV