

Form 3160-5  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC 064194
2. Name of Operator Snow Oil & Gas Inc		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 1277 Andrews, TX 79714	3b. Phone No. (include area code) 432-524-2371	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 660' FEL Section 4, T20S, R34E		8. Well Name and No. Powell Federal I
		9. API Well No. 30-025-30519
		10. Field and Pool, or Exploratory Area Lea Delaware NE
		11. County or Parish, State Lea Co., NM

12 CHECK 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	See below
	<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 recomplate 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/BLA. 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.)

As a clarification to Sundry dated July 5, 2011 and accepted for record July 8, 2011, the following parameters were used to determine the economics of well below:

- Lifting expense of \$41.58 per day to include:
- water disposal-\$1.05/day
- administrative overhead-\$14.47/day
- electricity-\$8.22/day
- pumper-\$13.77/day
- misc expenses-\$3.72/day

Therefore, using 78% NRI, the incremental economic oil production per day is .60 BOPD whether it is produced one day per month or everyday as to the charges of the lease are presented on a per produced day basis.

See attached

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

Joe Lindemoed

Title Agent

Signature

*Joe Lindemoed*

Date

8/9/11

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date AUG 20 2011

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

WESLEY W. INGRAM  
REGISTERED PROFESSIONAL ENGINEER

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 the Bureau of Land Management, or to any other Federal, State, or local agency, any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

AUG 26 2011

**Powell Federal 1  
30-025-30519  
Snow Oil & Gas Inc.  
August 20, 2011  
Comments and Requirements**

**Operator total of \$41.58 for daily lifting costs does not include the new demulsifier chemical pump or the chemical, which will change the required daily production.**

**Operator has still not responded to the question regarding the oil produced while the well was on the low time clock.**

**Operator shall perform a 72 hour independent well test by September 15, 2011. Notify the BLM at 575-393-3612 so that test can be witnessed.**

**WWI 082011**