

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE COMPLIANCE AND ENFORCEMENT MANAGER, FOR AN
ORDER AUTHORIZING THE DIVISION TO RECOGNIZE AN OPERATOR OF
RECORD FOR WELLS CURRENTLY OPERATED BY YESO ENERGY, INC., LEA,
EDDY AND CHAVES COUNTIES, NEW MEXICO.**

CASE NO. 14547 De Novo

JUDAH OIL'S MOTION TO DISMISS

Judah Oil, LLC ("Judah Oil") respectfully requests that the Oil Conservation Commission ("Commission") dismiss Case No. 14547 as moot with respect to three of the four wells at issue. In support of this motion, Judah Oil states:

I.

Background Facts

1. Case No. 14547 is advertised as seeking an order authorizing the Division "to recognize an operator of record" for four wells currently operated by Yeso Energy, Inc.
2. On August 19, 2010, the Division filed its Application for Hearing that resulted in Case No. 14547. The Division's Application reflects that the four wells at issue are located on federal lands (Application at ¶ 6 and ¶7) and that under Order No. R-12930-B, Yeso Energy Inc. was instructed to either plug these wells "or transfer each of said wells to another operator, not affiliated with Yeso and approved by the Division, not later than March 15, 2010." Application at ¶ 4.
3. The only substantive relief requested under the Division's August 19th Application is for an order addressing "how operator change requests for Yeso be handled, including the pending application for operator change filed by Judah Oil LLC." Application at 2.

RECEIVED OGD
2010 SEP 28 P 1:15

4. Since the filing of the Division's Application, the BLM has approved Judah Oil as the new operator of record for three of the four wells at issue: the Dow "B" 28 Federal No. 1 (API 30-15-28676); the Dalton Federal No. 1 (API 30-015-25259); and the Gulf McKay Federal No. 1 (API 30-025-25471). *See* Attachments A-1, B-1 and C-1 (Approved Change of Operator Forms).

5 Judah Oil has met, or is addressing, the conditions of approval imposed by the BLM for each of these three wells:

A. On September 7, 2010, Judah Oil submitted a sundry notice to the BLM stating its intent to convert the Dow B Federal Well No. 1 to a commercial saltwater disposal well. *See* Attachment A-2. Division records will reflect that on August 17, 2010, Judah submitted a C-108 Application to Inject to the Division for approval of this commercial saltwater disposal well.

B. On September 16, 2010, Judah submitted sundry notices to the BLM stating its intent to return the Dalton Federal No. 1 and the Gulf McKay Federal No. 1 back to production. *See* Attachments B-2 and C-2.

C. Since these September filings, Judah Oil has discussed with BLM inspector Jim Amos the current conditions at each of these well sites and Judah Oil's operational plans. Judah Oil is scheduled to meet with Mr. Amos at each of these well sites in early October to discuss and address any concerns the BLM may have about these well sites. *See* Attachment D (Affidavit of James B. Campanella).

6. Judah Oil has in place all of the bonding requirements imposed by the BLM for its proposed operations at these three well sites. *See* Attachment D (Campanella Affidavit).

7. Judah has applied with the BLM for a Right-of-Way to use the Dow B “28” Federal No. 1 for a commercial saltwater disposal well. *See* Attachment D (Campanella Affidavit).

8. Judah Oil is not affiliated with the former operator, Yeso Energy, Inc. *See* Attachment D (Campanella Affidavit).

9. The wells at issue in Case No. 14547 are federal wells and therefore under the primary jurisdiction of the BLM.

II.
The BLM’s Recent Actions Render the Relief Sought in
Case No. 14547 Moot for Three of the Four Wells At Issue.

Case No. 14547 should be dismissed with respect to the Dalton Federal No. 1, the Dow B 28 Federal No. 1, and the Gulf McKay No. 1. The relief requested by the Division has been rendered moot by the BLM’s recent actions. Essentially, now that the BLM has approved Judah Oil as the operator of these three wells, there is nothing left for the Commission to decide.

The Dalton Federal Well No. 1, the Dow B 28 Federal Well No. 1, and the Gulf McKay Well No. 1 were drilled pursuant to federal leases issued by the BLM. As the mineral owner and lessor of these properties, the BLM has primary jurisdiction over these wells. 30 U.S.C.A. §223 et seq.; 43 CFR 3100 et seq. The BLM has approved Judah Oil as the current operator of record for these wells. That approval was accomplished through the procedures put in place by the BLM for change of operators for wells on federal lands. Judah Oil has in place all of the necessary bonding and has met, or is in the process of meeting, all of the conditions of approval imposed by the BLM for this change of operator.

The Division’s application seeking “guidance” from the Commission on how it should proceed with the change of operator notices submitted by Judah Oil for these three federal wells

has been answered and rendered moot by the BLM's recent actions. Indeed, Judah Oil is the *only operator* that has stepped forward and obtained the necessary approvals from the BLM to take over responsibility for these federal wells. Accordingly, there is nothing left for the Commission to decide nor is there any reason for the Division not to accept the change of operator forms approved by the BLM for these three federal wells.

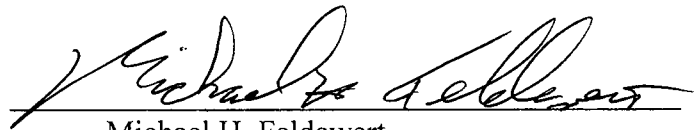
WHEREFORE, Judah Oil respectfully requests that the Commission Chair enter an order before the scheduled hearing:

A. Dismissing Case No. 14547 with respect to the Dalton Federal No. 1 (API 30-015-25259); the Dow "B" 28 Federal No. 1 (API 30-15-28676); and the Gulf McKay Federal No. 1 (API 30-025-25471); and

B. Instructing the Division to process the pending notices of operator change filed by Judah Oil for these three wells, as well as the C-108 Application to Inject filed by Judah Oil for the Dow "B" 28 Federal No. 1.

Respectfully submitted,

HOLLAND & HART, LLP

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", is written over a horizontal line.

Michael H. Feldewert
Ocean Munds-Dry
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
omundsdry@hollandhart.com

ATTORNEYS FOR JUDAH OIL, LLC

CERTIFICATE OF SERVICE

I certify that on September 28, 2010, I served a copy of the foregoing document *Judah Oil's Motion to Dismiss* to the following by U.S. Mail, postage prepaid to:

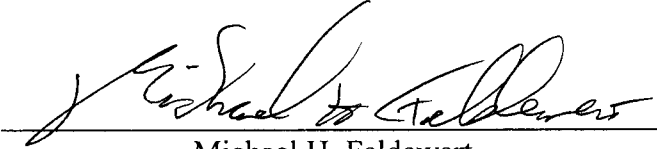
Yeso Energy, Inc.
Post Office Box 2248
Roswell, New Mexico 88202-0248

Chica Energy LLC
3003 McPherson Road
Roswell, New Mexico 88201

Scott Hall
Montgomery & Andrews, PA
Post Office Box 2307
Santa Fe, New Mexico 87504

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504

BLM Carlsbad Field Office
Attn.: Jim Stovall, Field Manager
620 E. Greene Street
Carlsbad, New Mexico 88220



Michael H. Feldewert

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0135
Expires: January 31, 2004

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 ☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **Judah Oil, LLC**

3a. Address
P.O. Box 568 Artesia, NM 88211-0568

3b. Phone No. (include area code)
575-746-1280

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

ULK-1650 feet FSL, and 2310 feet FWL, Section 28, TS 17S, Range 31E

5. Lease Serial No.
LC-029420-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No

Bow "B" Federal #1 Dore B 28 Frd #

9. API Well No.

20-015-28140

10. Field and Pool, or Exploratory Area

Cedar Lake, East Morrow/Shugart

11. County or Parish, State

Eddy, 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 Change of Operator
	<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 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 recomplete 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 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 required per Onshore Orders, Judah Oil, LLC has taken over as operator for Yeso Energy, Inc. on the above described effective 8/11/2010. Judah Oil, LLC as a new operator accepts all terms, conditions, restrictions and stipulations concerned for any and all operation conducted on the lease or portion of this lease as described above.

Operator Contact Info:
Judah Oil, LLC
PO Box 568
Artesia, NM 88211-0568

Responsible Party:
James B Campanella
575-746-1280
575-748-5488
575-746-1290 Fax

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Bonding Coverage LC-029420-B Bond Amount: \$25,000.00 plus an additional \$100,000.00 Bond # NMB00451

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

James B. Campanella

Title **Member/Manager**

Signature

Date

08/11/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

J. D. W. Littlejohn
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.

Title **LPE7**

Date

8/31/10

Office

CFO

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)

ATTACHMENT
A-1

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval

Judah Oil LLC

Dalton Federal #1, Dow "28" Federal #1 and Gulf McKay Federal #1

1. Submit plan for approval of well operations within 30 days of this approval to change operator.

The Bureau of Land Management (BLM) and Minerals Management Service (MMS) definition of a Shut-in (SI) or Temporarily Abandoned (TA) are as follows. Shut-in well is a completion that is physically and mechanically capable of production in paying quantities or capable of service use. The definition of a temporarily abandoned well is a completion that is not capable of production in paying quantities, but which may have value as a service completion.

43 CFR 3162.3-4 (C) requires that wells incapable of production in paying quantities be promptly plugged and abandoned and requires approval for any well temporarily abandoned for more than 30 days.

Therefore, an Operator must submit a Sundry Notice as a Notice of Intent prior to beginning any operation. It may be approved with condition of approval attached. You need to submit a plan for the well within in 30 days stating your intent for the well.

Do one of the following.

1. **Return the well to production or beneficial use.**
2. **Submit notice of intent to plug and abandon.**

If you decide to **plug and abandon** the well, submit a Sundry Notice (form 3160-5, original and 3 copies) describing the proposed plugging program with before and after diagrams of well bore.

If you decide to **return the well to production**, submit a Sundry Notice (form 3160-5, original and 3 copies). Include the date you anticipate the well being placed back in service. 43 CFR 3162.4-1(c) also requires you to notify the Authorized officer, not later than the fifth business day after production is resumed for any well which has been off production for more than 90 days, include the date on which such production was resumed. Notification may be by letter or Sundry Notice, or orally followed by letter or Sundry Notice.

2. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **Judah Oil, LLC**

3a. Address
PO Box 568 Artesia, NM 88211-0568

3b. Phone No. (include area code)
575-746-1280

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

ULP 1028FSL, 1227 FEL, Section 28, TS 17S, Range 31 E

5. Lease Serial No.

LC 029420-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No

Dow "B" 28 Federal #1

9. API Well No.

30-015-28676

10. Field and Pool, or Exploratory Area

Cedar Lake, East Morrow/Shugart

11. County or Parish, State

Eddy County, NM

12. CHECK 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 checked="" type="checkbox"/> Other Convert to
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commercial
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	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 recomplete 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 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.)

Judah Oil, LLC intends to convert this well to a Commercial Salt Water Disposal Well. We have submitted a C-108 Application to Inject to the NMOCD dated 8-17-2010. This well will be converted upon approval of the NMOCD.

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

Signature

Title **Member/Manager**

Date **09/07/2010**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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)

ATTACHMENT

A-2

OPERATOR'S COPY

Form 3160-5
(September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1034-0135
Expires: January 31, 2004

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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Judah Oil, LLC

3a. Address
P.O. Box 568 Artesia, NM 88211-0568

3b. Phone No. (include area code)
575-746-1280

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UL H, Section 29, T17S R29E 1650 FNL, 990 FEL

5. Lease Serial No.
NM 14840

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Dalton Federal #1

9. API Well No.
30-015-25259 30-015-25259

10. Field and Pool, or Exploratory Area
Grayburg-Jackson

11. County or Parish, State
Eddy, 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 Change of Operator
	<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 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 recomplete 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 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 required per Onshore Orders, Judah Oil, LLC has taken over as operator for Yeso Energy, Inc. on the above described effective 8/11/2010. Judah Oil, LLC as a new operator accepts all terms, conditions, restrictions and stipulations concerned for any and all operation conducted on the lease or portion of this lease as described above.

Operator Contact Info:
Judah Oil, LLC
PO Box 568
Artesia, NM 88211-0568

Responsible Party:
James B Campanella
575-746-1280
575-748-5488
575-746-1290 Fax

SEE ATTACHMENT FOR
COPIES OF BOND AND OTHER DOCUMENTS

Bonding Coverage NM 14840 Bond Amount: \$25,000.00 plus an additional \$100,000.00 Bond # NMB00451

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

James B. Campanella

Title Member/Manager

Signature

Date

08/11/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by J. D. W. Whitlock Jr.
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.

Title LPEY

Date 8/31/10

Office CFO

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)

ATTACHMENT
B-1

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Conditions of Approval

Judah Oil LLC

Dalton Federal #1, Dow "28" Federal #1 and Gulf McKay Federal #1

1. Submit plan for approval of well operations within 30 days of this approval to change operator.

The Bureau of Land Management (BLM) and Minerals Management Service (MMS) definition of a Shut-in (SI) or Temporarily Abandoned (TA) are as follows. Shut-in well is a completion that is physically and mechanically capable of production in paying quantities or capable of service use. The definition of a temporarily abandoned well is a completion that is not capable of production in paying quantities, but which may have value as a service completion.

43 CFR 3162.3-4 (C) requires that wells incapable of production in paying quantities be promptly plugged and abandoned and requires approval for any well temporarily abandoned for more than 30 days.

Therefore, an Operator must submit a Sundry Notice as a Notice of Intent prior to beginning any operation. It may be approved with condition of approval attached. You need to submit a plan for the well within in 30 days stating your intent for the well.

Do one of the following.

1. Return the well to production or beneficial use.
2. Submit notice of intent to plug and abandon.

If you decide to **plug and abandon** the well, submit a Sundry Notice (form 3160-5, original and 3 copies) describing the proposed plugging program with before and after diagrams of well bore.

If you decide to **return the well to production**, submit a Sundry Notice (form 3160-5, original and 3 copies). Include the date you anticipate the well being placed back in service. 43 CFR 3162.4-1(c) also requires you to notify the Authorized officer, not later than the fifth business day after production is resumed for any well which has been off production for more than 90 days, include the date on which such production was resumed. Notification may be by letter or Sundry Notice, or orally followed by letter or Sundry Notice.

2. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0175
Expires: January 31, 2004

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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **Judah Oil, LLC**

3a. Address
PO Box 568 Artesia, NM 88211-0568

3b. Phone No. (include area code)
575-746-1280

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
U1 H, Section 29, T 17S, R 29E

5. Lease Serial No.
NM 14840

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Dalton Federal #1

9. API Well No.
30-015-26239-30-015-2525

10. Field and Pool, or Exploratory Area
Grayburg-Jackson

11. County or Parish, State
Eddy County, NM

12. CHECK 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 checked="" 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 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 shall 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 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.)

Judah Oil, LLC proposes to return the well to production. The well will be returned to production by October 1, 2010. Condition pending upon NMOCD approval of Change of Operator.

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

Signature

Title **Member/Manager**

Date

09/07/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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)

**ATTACHMENT
B-2**

OPERATOR'S COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Judah Oil, LLC

3a. Address
P.O. Box 568 Artesia, NM 88211-0568

3b. Phone No. (include area code)
575-746-1280

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FWL and 660' FSL Unit N, Section 34 Township 18S, Range 27 East
32

5. Lease Serial No.
NM 67988

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Gulf McKay Federal #1

9. API Well No.
30-025-25471

10. Field and Pool, or Exploratory Area
Lusk San Andres

11. County or Parish, State
Lea County, 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 <u>Change of Operator</u>
	<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 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 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 required per Onshore Orders, Judah Oil, LLC has taken over as operator for Yeso Energy, Inc. on the above described effective 8/11/2010. Judah Oil, LLC as a new operator accepts all terms, conditions, restrictions and stipulations concerned for any and all operation conducted on the lease or portion of this lease as described above.

Operator Contact Info:
Judah Oil, LLC
PO Box 568
Artesia, NM 88211-0568

Responsible Party:
James B Campanella
575-746-1280
575-748-5488
575-746-1290 Fax

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Bonding Coverage NM 67988 Bond Amount: \$25,000.00 plus an additional \$100,000.00 Bond # NMB00451

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

James B. Campanella

Title Member/Manager

Signature

Date

08/11/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by J. D. W. [Signature]
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.

Title LPE-1

Date 8/31/10

Office CFO

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)

ATTACHMENT
C-1

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval

Judah Oil LLC

Dalton Federal #1, Dow "28" Federal #1 and Gulf McKay Federal #1

1. Submit plan for approval of well operations within 30 days of this approval to change operator.

The Bureau of Land Management (BLM) and Minerals Management Service (MMS) definition of a Shut-in (SI) or Temporarily Abandoned (TA) are as follows. Shut-in well is a completion that is physically and mechanically capable of production in paying quantities or capable of service use. The definition of a temporarily abandoned well is a completion that is not capable of production in paying quantities, but which may have value as a service completion.

43 CFR 3162.3-4 (C) requires that wells incapable of production in paying quantities be promptly plugged and abandoned and requires approval for any well temporarily abandoned for more than 30 days.

Therefore, an Operator must submit a Sundry Notice as a Notice of Intent prior to beginning any operation. It may be approved with condition of approval attached. You need to submit a plan for the well within in 30 days stating your intent for the well.

Do one of the following.

1. **Return the well to production or beneficial use.**
2. **Submit notice of intent to plug and abandon.**

If you decide to **plug and abandon** the well, submit a Sundry Notice (form 3160-5, original and 3 copies) describing the proposed plugging program with before and after diagrams of well bore.

If you decide to **return the well to production**, submit a Sundry Notice (form 3160-5, original and 3 copies). Include the date you anticipate the well being placed back in service. 43 CFR 3162.4-1(c) also requires you to notify the Authorized officer, not later than the fifth business day after production is resumed for any well which has been off production for more than 90 days, include the date on which such production was resumed. Notification may be by letter or Sundry Notice, or orally followed by letter or Sundry Notice.

2. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AMENDED

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. NM 67988
6. If Indian, Allottee or Tribe Name
7. If Unit of CA/Agreement, Name and/or No.
8. Well Name and No. Gulf McKay Federal #1
9. API Well No. 30-025-25471
10. Field and Pool or Exploratory Area Lusk San Andres
11. Country or Parish, State Lea County, NM

SUBMIT IN TRIPLICATE – Other instructions on page 2.


1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Judah Oil, LLC	
3a. Address PO Box 568 Artesia, NM 88211-0568	3b. Phone No. (include area code) 575-746-1280
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FWL and 660' FSL, Unit N, Section 34, Township 18S, Range 32 East	

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 checked="" 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 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. 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.)

Judah Oil, LLC proposes to run tubing, rods, and down hole pump in well and return well to production. We intend to return to production by December 1, 2010. Condition pending upon NMOCD approval of Change of Operator.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) James B. Campanella	Title Member/Manager
Signature 	Date 09/16/2010

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)

**ATTACHMENT
C-2**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AMENDED

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

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Judah Oil, LLC

3a. Address

P.O. Box 568 Artesia, NM 88211-0568

3b. Phone No. (include area code)

575-746-1280

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FWL and 660 FSL Unit N, Section 34 Township 18S, Range 32 East

5. Lease Serial No.

NM 67988

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Gulf McKay Federal #1

9. API Well No.

30-025-25471

10. Field and Pool, or Exploratory Area

Lusk San Andres

11. County or Parish, State

Lea County, 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 <u>Change of Operator</u>
	<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 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 recomplete 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 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 required per Onshore Orders, Judah Oil, LLC has taken over as operator for Yeso Energy, Inc. on the above described effective 8/11/2010. Judah Oil, LLC as a new operator accepts all terms, conditions, restrictions and stipulations concerned for any and all operation conducted on the lease or portion of this lease as described above.

Operator Contact Info:

Judah Oil, LLC
PO Box 568
Artesia, NM 88211-0568

Responsible Party:

James B Campanella
575-746-1280
575-748-5488
575-746-1290 Fax

Bonding Coverage NM 67988 Bond Amount: \$25,000.00 plus an additional \$100,000.00 Bond # NMB00451

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

James B. Campanella

Title Member/Manager

Signature

Date

09/16/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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)

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE COMPLIANCE AND ENFORCEMENT MANAGER, FOR AN
ORDER AUTHORIZING THE DIVISION TO RECOGNIZE AN OPERATOR OF
RECORD FOR WELLS CURRENTLY OPERATED BY YESO ENERGY, INC., LEA,
EDDY AND CHAVES COUNTIES, NEW MEXICO.**

CASE NO. 14547 De Novo

AFFIDAVIT OF JAMES B. CAMPANELLA

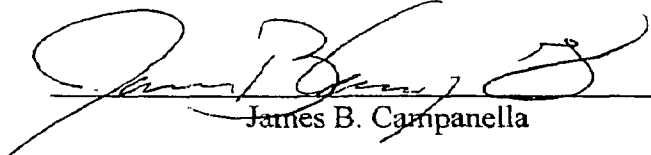
James B. Campanella, being first sworn, state as follows:

1. I am the agent and managing partner of Judah Oil, LLC, with its principal offices located in Artesia, New Mexico. I have personal knowledge of all facts stated in this Affidavit.
2. Judah Oil has been approved by the BLM as the successor operator to Yeso Energy, Inc., for the following wells located on federal lands: the Dalton Federal No. 1 (API 30-015-25259); the Dow "B" 28 Federal No. 1 (API 30-15-28676); and the Gulf McKay Federal No. 1 (API 30-025-25471).
3. Judah Oil is not affiliated with Yeso Energy, Inc., and the two companies do not share common employees, managers, principals or shareholders.
4. I have discussed with BLM representatives the current conditions at each of these well sites and Judah Oil's operational plans for these well sites. I am scheduled to meet with BLM representatives at each of these well sites to discuss and address any concerns that they have about the current conditions.
5. Judah Oil has met all of the BLM's bonding requirements for Judah's proposed operations at these well sites.

**ATTACHMENT
D**

6. In addition to the filing of an Application to Inject with the Oil Conservation Division, Judah has applied with the BLM for a Right-of-Way to use the Dow B "28" Federal No. 1 for a commercial saltwater disposal well.

FURTHER AFFIANT SAYETH NAUGHT.


James B. Campanella

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

The foregoing instrument was subscribed and sworn to before me this 28th day of September, 2010 by James B. Campanella, an individual.

Witness my hand and official seal.


Notary Public

