

C & D MANAGEMENT COMPANY

4801 Lang NE - Suite #110
Albuquerque, NM 87109
(505) 417-1511
Email: oilfreedom@aol.com

March 30, 2009

Via Email:
sonny.swazo@state.nm.us

Mr. Sonny Swazo, Esq
Counsel for Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Case No. 14055
C & D Management Company dba Freedom Ventures [OGRID: 231382]

Hearing Date: April 9, 2009

Dear Mr. Swazo:

Find attached:

- (a) C-115 Filing Summary through February 2009
- (b) BLM Sundry Reports on 4 Wells: Plugging Reports Sept. 2008
- (c) BLM Extension to Plug: Shearn Shilo [April 2009]
- (d) Report & Photographs of Plugging -September 2008

PLUGGING OF WELLS: 4 WELLS PLUGGED - 1 WELL PENDING

CDM has plugged 3 of the wells ordered by the OCD.

CDM has plugged 1 well instructed by the BLM to plug on September 11, 2008.

Due to extenuating circumstances encountered during the plugging of the Shearn Shilo well, the BLM has provided an extension of time for plugging to April 20, 2009.

| WELL | API | OCD TEMPORARY PIT PERMIT | PLUGGING DATE | STATUS |
|------------------------|--------------|-----------------------------------|--|--|
| Shearn Becky Federal | 30-015-34440 | #0208410 - [8/15/08] | Sept 12, 2008 | Plugged |
| Shearn Freedom Federal | 30-015-34454 | #0208411 - [8/15/08] | Sept. 16, 2008 | Plugged |
| Shearn Samantha | 30-015-31059 | #0208412- [8/15/08] | Sept. 9, 2008 | Plugged |
| Shearn Saranda Federal | 30-015-31060 | #0208509 BLM/OCD Sept 11, 2008 | Sept 17, 2008 | Plugged at the verbal request of BLM on Sept 11. OCD/Artesia Expedited Temp Pit. |
| Shearn Shilo Federal | 30-015-31061 | #0208409 [8/15/08] | BLM extended plug date to April 20, 2009 | See Extenuating Circumstances |

*Case 14055 De Novo
C&D Management Company
dba Freedom Ventures Company
OCD Exhibit 76*

SHEARN SARANDA FEDERAL [30-015-31060]:

On September 11, 2008, while in the field plugging the other wells, BLM Petroleum Engineer, urged that CDM plug another well that was located on the Shearn Lease. BLM stated they would expedite the approval and instructed CDM to make Expedited Request to the OCD/Artesia for a Temporary Pit Request. Expedited Applications were submitted and Approval was received. Well was plugged on September 17, 2008.

SHEARN SHILO FEDERAL [30-015-31061]:

Three [3] separate attempts were made to plug this hole.

While attempting to running tubing into this well of 420ft depth. We encountered an obstacle which prevented the running of the tubing to bottom of the hole for tagging and plugging.

BLM urged that we bring a Back-Hoe and dig down 5-7ft and have a Welder Cut the Casing below the obstacle. A Back-Hoe and Welder were brought to the site. Digging was completed and the Casing Cut. The obstacle could not be located nor removed for plugging.

BLM then urged that we "dig deeper". Due to the difficult rock formation we ordered a Excavator as the Back- Hoe was not effective. We dug down to a depth 20-25ft. The Casing was Cut. The obstacle was could not be located nor removed for plugging

BLM urged that we bring a Drilling Rig Unit to the Plugging Site and Re-Drill the Well. A Drilling Rig was brought on to the site. The well was predrilled by the Drilling Rig was able to cut through the obstacle.

The BLM has granted an Extension of Time to plug this well: April 20, 2009.

=====
Re-Working of other Wells on Lease:

It's been determined that we should Pull the Tubing and Re-Work 5 wells on the CDM Lease.
=====

FUNDING -CIRCUMSTANCES:

We did not budget for the extra well plugging, nor did we anticipate the extraordinary expenses for the Back-Hoe, Excavator, Drilling Rig, Welder and other ancillary services required. Frankly, we were caught short and when combined with the price of oil plummeting and the current national economic circumstances, as it pertain to obtaining financing from lending institutions and private firms/individuals, CDM encounter difficulty accessing capital to complete our tasks. We have learned that capital will be available in the next 10-14 days to plug and begin the reworking of wells on the CDM lease.

=====

I would like to discuss the possibility of taking the subject case off calendar or continuing this matter.

Regards,

Thomas Kizer
C D Management Company

Return

Summary Balancing Report

231382 C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES
 PRINTED ON: TUESDAY, MARCH 31, 2009

2006

| | GAS Produced | GAS Transported | GAS Other | GAS Variance | OIL BOM | OIL Produced | OIL Transported | OIL Other | OIL EOM | OIL Variance |
|---------------|-----------------|--------------------|--------------|-----------------|--------------|-----------------|--------------------|--------------|--------------|-----------------|
| 1 /2006 | 1,219 | 1,219 | 0 | 0 | 271 | 57 | 166 | 19 | 143 | 0 |
| 2 /2006 | 1,066 | 1,066 | 0 | 0 | 143 | 95 | 0 | 33 | 205 | 0 |
| 3 /2006 | 620 | 620 | 0 | 0 | 205 | 126 | 0 | 51 | 280 | 0 |
| 4 /2006 | 672 | 672 | 0 | 0 | 280 | 88 | 170 | 0 | 198 | 0 |
| 5 /2006 | 1,213 | 1,213 | 0 | 0 | 198 | 87 | 0 | 0 | 285 | 0 |
| 6 /2006 | 1,493 | 1,493 | 0 | 0 | 285 | 89 | 0 | 0 | 374 | 0 |
| 7 /2006 | 1,409 | 1,409 | 0 | 0 | 374 | 87 | 174 | 0 | 287 | 0 |
| 8 /2006 | 1,709 | 1,709 | 0 | 0 | 287 | 86 | 0 | 0 | 373 | 0 |
| 9 /2006 | 1,576 | 1,576 | 0 | 0 | 373 | 90 | 167 | 0 | 296 | 0 |
| 10 /2006 | 1,521 | 1,521 | 0 | 0 | 296 | 87 | 0 | 0 | 383 | 0 |
| 11 /2006 | 1,613 | 1,613 | 0 | 0 | 383 | 47 | 166 | 0 | 264 | 0 |
| 12 /2006 | 1,690 | 1,690 | 0 | 0 | 264 | 5 | 0 | 0 | 269 | 0 |
| Totals | 15,801 | 15,801 | 0 | 0 | 3,359 | 944 | 843 | 103 | 3,357 | 0 |

2007

| | GAS Produced | GAS Transported | GAS Other | GAS Variance | OIL BOM | OIL Produced | OIL Transported | OIL Other | OIL EOM | OIL Variance |
|---------------|-----------------|--------------------|--------------|-----------------|--------------|-----------------|--------------------|--------------|--------------|-----------------|
| 1 /2007 | 1,584 | 1,584 | 0 | 0 | 269 | 38 | 143 | 0 | 164 | 0 |
| 2 /2007 | 1,274 | 1,274 | 0 | 0 | 164 | 56 | 0 | 0 | 220 | 0 |
| 3 /2007 | 340 | 340 | 0 | 0 | 220 | 90 | 0 | 0 | 310 | 0 |
| 4 /2007 | 1,001 | 1,001 | 0 | 0 | 310 | 86 | 0 | 0 | 396 | 0 |
| 5 /2007 | 2,215 | 2,215 | 0 | 0 | 396 | 73 | 135 | 0 | 334 | 0 |
| 6 /2007 | 1,652 | 1,652 | 0 | 0 | 334 | 60 | 149 | 0 | 245 | 0 |
| 7 /2007 | 1,766 | 1,766 | 0 | 0 | 245 | 74 | 0 | 0 | 319 | 0 |
| 8 /2007 | 730 | 730 | 0 | 0 | 319 | 70 | 0 | 0 | 389 | 0 |
| 9 /2007 | 389 | 389 | 0 | 0 | 389 | 63 | 161 | 0 | 291 | 0 |
| 10 /2007 | 387 | 387 | 0 | 0 | 291 | 102 | 0 | 34 | 359 | 0 |
| 11 /2007 | 371 | 371 | 0 | 0 | 359 | 65 | 0 | 16 | 408 | 0 |
| 12 /2007 | 374 | 374 | 0 | 0 | 408 | 86 | 155 | 0 | 339 | 0 |
| Totals | 12,083 | 12,083 | 0 | 0 | 3,704 | 863 | 743 | 50 | 3,774 | 0 |

2008

| | GAS Produced | GAS Transported | GAS Other | GAS Variance | OIL BOM | OIL Produced | OIL Transported | OIL Other | OIL EOM | OIL Variance |
|---------------|-----------------|--------------------|--------------|-----------------|--------------|-----------------|--------------------|--------------|--------------|-----------------|
| 1 /2008 | 322 | 322 | 0 | 0 | 339 | 48 | 0 | 21 | 366 | 0 |
| 2 /2008 | 288 | 288 | 0 | 0 | 366 | 57 | 0 | 0 | 423 | 0 |
| 3 /2008 | 279 | 279 | 0 | 0 | 423 | 58 | 0 | 0 | 481 | 0 |
| 4 /2008 | 224 | 224 | 0 | 0 | 481 | 56 | 328 | 0 | 209 | 0 |
| 5 /2008 | 230 | 230 | 0 | 0 | 209 | 59 | 0 | 0 | 268 | 0 |
| 6 /2008 | 34 | 34 | 0 | 0 | 268 | 52 | 0 | 0 | 320 | 0 |
| 7 /2008 | 522 | 522 | 0 | 0 | 320 | 45 | 152 | 0 | 213 | 0 |
| 8 /2008 | 736 | 736 | 0 | 0 | 213 | 59 | 0 | 0 | 272 | 0 |
| 9 /2008 | 423 | 423 | 0 | 0 | 272 | 64 | 152 | 0 | 184 | 0 |
| 10 /2008 | 865 | 865 | 0 | 0 | 184 | 33 | 0 | 0 | 217 | 0 |
| 11 /2008 | 751 | 751 | 0 | 0 | 217 | 28 | 0 | 0 | 245 | 0 |
| 12 /2008 | 683 | 683 | 0 | 0 | 245 | 46 | 0 | 0 | 291 | 0 |
| Totals | 5,357 | 5,357 | 0 | 0 | 3,537 | 605 | 632 | 21 | 3,489 | 0 |

2009

| | GAS Produced | GAS Transported | GAS Other | GAS Variance | OIL BOM | OIL Produced | OIL Transported | OIL Other | OIL EOM | OIL Variance |
|---------------|-----------------|--------------------|--------------|-----------------|------------|-----------------|--------------------|--------------|------------|-----------------|
| 1 /2009 | 492 | 492 | 0 | 0 | 291 | 0 | 0 | 0 | 291 | 0 |
| 2 /2009 | 395 | 395 | 0 | 0 | 291 | 0 | 0 | 0 | 291 | 0 |
| Totals | 887 | 887 | 0 | 0 | 582 | 0 | 0 | 0 | 582 | 0 |

OPERATOR'S COPY

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Certified Mail - Return Receipt Requested
7008183000080712412

Hand Delivered Received by

NOTICE OF INCIDENTS OF NONCOMPLIANCE

| |
|------------------|
| Identification |
| JLD |
| Lease NMNM070603 |
| CA |
| Unit |
| PA |

| | |
|--|---|
| Bureau of Land Management Office CARLSBAD FIELD OFFICE | Operator C & D MANAGEMENT COMPANY |
| Address 620 E GREENE STREET CARLSBAD NM 88220 | Address 4801 LANGE NE, SUITE 110 ALBUQUERQUE NM 87109 |
| Telephone 575-234-5994 | Attention |
| Inspector BLAKLEY | Attn Addr |

| | | | | | | | |
|---------------------------------------|------------------------------|-----------------------------------|------------------------|---------------------|------------------------|-----------------------|--------------------|
| Site Name SHEARN SHILO FED. | Well or Facility 1 | 1/4 1/4 Section NWNE 14 | Township 17S | Range 27E | Meridian NMP | County EDDY | State NM |
| Site Name | Well or Facility | 1/4 1/4 Section | Township | Range | Meridian | County | State |

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

| Date | Time (24 - hour clock) | Violation | Gravity of Violation |
|--------------------------------------|------------------------|-----------------------------------|----------------------|
| 03/20/2009 | 13:00 | 43CFR 3162.1(a) COA ABD procedure | MINOR |
| Corrective Action To Be Completed By | Date Corrected | Assessment for Noncompliance | Assessment Reference |
| 04/20/2009 | | | 43 CFR 3163.1() |

Remarks

Failure to comply with the Conditions Of Approval of the Plugging Procedure Approved thru this Office. Extensions were given on time that expired the 26th of December 2008. The well was never plugged per approved plan.

(Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address.

Company Representative Title _____ Signature _____ Date _____

Company Comments _____

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

| | | |
|---|--------------------------|----------------------|
| Signature of Bureau of Land Management Authorized Officer <i>[Handwritten Signature]</i> | Date 3/20/2009 | Time 15:00 |
|---|--------------------------|----------------------|

FOR OFFICE USE ONLY

| | | | | |
|---------------------------------|------|------------|---------|-------------|
| Number 1P | Date | Assessment | Penalty | Termination |
| Type of Inspection PD | | | | |

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. NMMN070603
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 C&D MANAGEMENT COMPANY/dba Freedom Ventures OGRID: 231382

3a. Address 4601 LANG NE #110, ALBUQUERQUE, NEW MEXICO 87109

3b. Phone No. (include area code) 505-417-1511

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
A-14 -17S-27E 1226"FNL & 1106FEL [UNIT A]

7. If Unit of CA/Agreement, Name and/or No. 25603

8. Well Name and No. SHEARN SARANDA FEDERAL #1

9. API Well No. 30-015-31060

10. Field and Pool or Exploratory Area EMPIRE - YATES - SEVEN RIVERS

11. Country or Parish, State EDDY COUNTY

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 type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input checked="" 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 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 must 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 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.)

CASING IN HOLE :

On/about September 11, 2008 BLM requested that Shearn Saranda Federal #1 be plugged. September 13, 2008. Temporary Pit Permits were submitted to the OCD. September 16, 2008 the OCD Expedited Approval for Temporary Pit Permits [0208509].

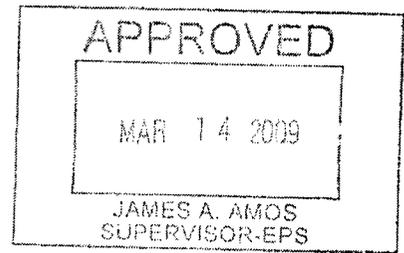
Approved as to plugging of the well bore. Liability under bond is retained until surface restoration is completed.

On September 17, 2008. Ran pipe to depth Pumped 40 sacks Class C Cement. Left overnight. Tagged & Plugged Filled to top with Cement.

Set Marker.

Inspected by Jerry Blakley, Engineer, BLM/Carlsbad

September 18, 2008



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

Title **President**

Signature *[Handwritten Signature]* Date **03/06/2008**

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.

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. NMNMO70603
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No. 35277

8. Well Name and No. SHEARN SAMANTHA FEDERAL #1

9. API Well No. 30-015-31059

10. Field and Pool or Exploratory Area
EMPIRE - YATES - SEVEN RIVERS

11. Country or Parish, State
EDDY COUNTY

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator C&D MANAGEMENT COMPANY/dba Freedom Ventures OGRID: 231382

3a. Address 4801 LANG NE #110, ALBUQUERQUE, NEW MEXICO 87109
3b. Phone No. (include area code) 505-417-1511

4. Location of Well (Footage, Sec., T., R., AL, or Survey Description)
G-14 -17S-27E 1649°FNL & 1523FEL [UNIT G]

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 type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input checked="" type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplate | <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 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/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 recomplate 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.)

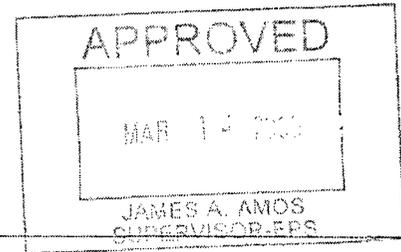
CASING IN HOLE : On September 9, 2008 Ran pipe to depth Pumped 60 sacks Class C Cement. Left overnight. Tagged & Plugged Filled to top with Cement.

Set Marker.

Inspected by Jerry Blakley, Engineer, BLM/Carlsbad

September 10, 2008

Approved as to plugging of the well bore.
Liability under bond is retained until
Surface restoration is completed.



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

Signature Date 03/06/2008

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.

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. NMNM070603

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No. 35277

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No. SHEARN BECKY FEDERAL #1

2. Name of Operator C&D MANAGEMENT COMPANY/dba Freedom Ventures OGRID: 231382

9. API Well No. 30-015-34440

3a. Address 4801 LANG NE #110, ALBUQUERQUE, NEW MEXICO 87109

3b. Phone No. (include area code) 505-417-1511

10. Field and Pool or Exploratory Area EMPIRE - YATES - SEVEN RIVERS

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
B-14 -17S-27E 660FNL & 1650FEL [UNIT B NENE]

11. Country or Parish, State EDDY COUNTY

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 type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input checked="" 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 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 must 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 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.)

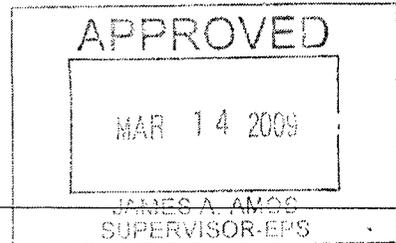
OPEN HOLE : On September 11, 2008 Ran pipe to depth Pumped 209 sacks Class C Cement. Left overnight. Tagged & Plugged Filled to top with Cement.

Set Marker.

Inspected by Jerry Blakley, Engineer, BLM/Carlsbad

September 12, 2008

Approved as to plugging of the well bore.
Liability under bond is retained until
Surface restoration is completed.



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

Title President

Signature

Date 03/08/2008

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1094-0137
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. NMNM070603

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No. 35277

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No. SHEARN FREEDOM FEDERAL #2

2. Name of Operator C&D MANAGEMENT COMPANY/dba Freedom Ventures OGRID: 231382

9. API Well No. 30-015-34454

3a. Address 4801 LANG NE #110, ALBUQUERQUE, NEW MEXICO 87109

3b. Phone No. (include area code) 505-417-1511

10. Field and Pool or Exploratory Area EMPIRE - YATES - SEVEN RIVERS

4. Location of Well (Fontage, Sec., T., R., M., or Survey Description)
A-14 - 17S-27E 660°FNL & 060FEL (UNIT A NENE)]

11. Country or Parish, State EDDY COUNTY

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 type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input checked="" 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 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 must 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 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.)

OPEN HOLE :

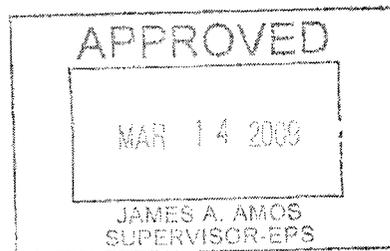
September 15, 2008. Ran pipe to depth Pumped 175 sacks Class C Cement. Left overnight. Tagged & Plugged Filled to top with Cement.

Set Marker.

Inspected by Jerry Blakley, Engineer, BLM/Carlsbad

September 16, 2008

Approved as to plugging of the well bore.
Liability under bond is retained until
Surface restoration is completed.



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

Title President

Signature *[Handwritten Signature]*

Date 03/06/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

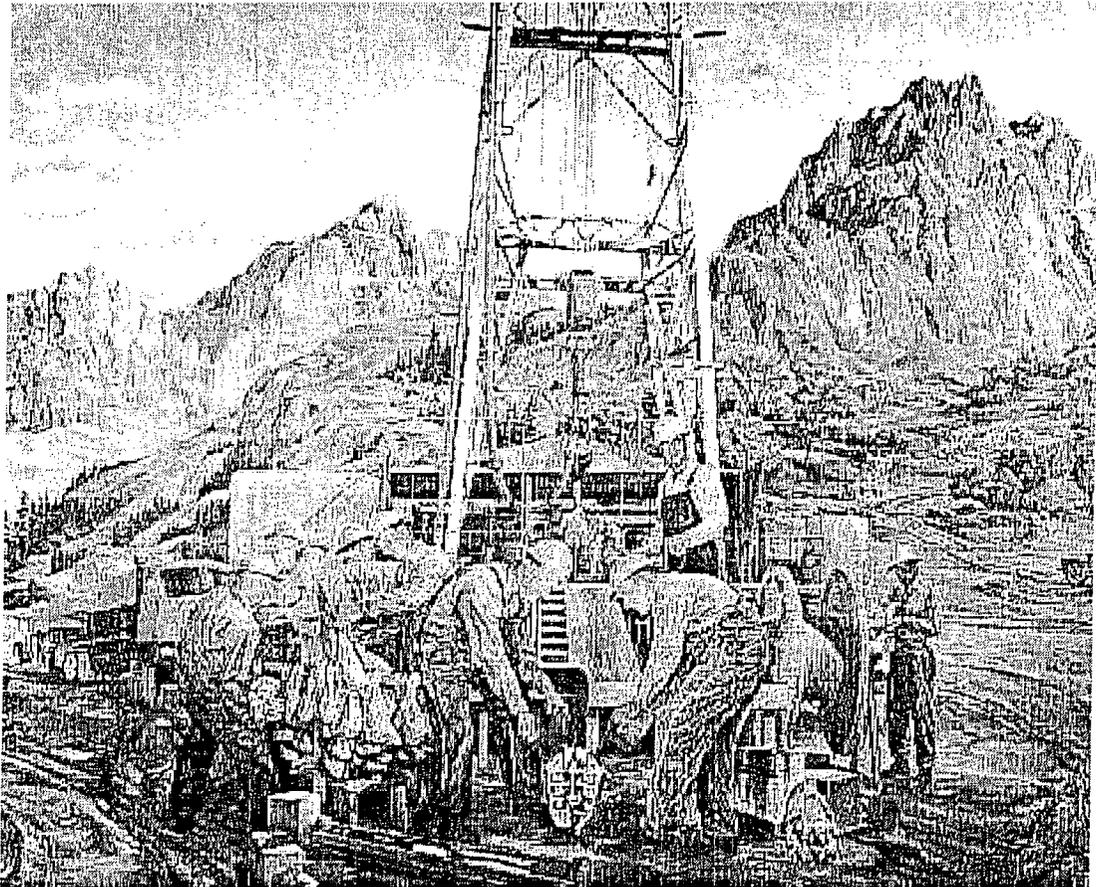
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____

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.

FREEDOM OIL VENTURES, LLC

C D MANAGEMENT COMPANY/DBA FREEDOM OIL

ARTESIA, NEW MEXICO



EDDY COUNTY - ARTESIA - NEW MEXICO

RED LAKE LEASE

PLUGGING 5 WELLS

SEPTEMBER 2008

Objective: Plug & Mark 4 Wells on the Shearn's Lease located on Federal Land.

1. Shearn Samantha
2. Shearn Shilo
3. Shearn Becky
4. Shearn Freedom

We **attempted** to Plug & Mark 5 Wells on the Shearn Lease: Since we had the equipment on site the BLM/OCD expedited A plugging permit and temporary permit. This extra hole contributed to the cost over runs. The BLM supervisor "recommended" that we plug the additional well.

1. Shearn Samantha
2. Shearn Shilo
3. Shearn Becky
4. Shearn Freedom
5. Shearn Saranda

We **were able** to Plug & Mark 4 of the 5 Wells:

1. Shearn Samantha
2. Shearn Saranda
3. Shearn Becky
4. Shearn Freedom

We were **unable** to Plug & Mark one well:

1. Shearn Shilo

The Bureau of Land Management has provided us with a 60 day extension to plug this well. There are complications which prevent the plugging.

PREPARATION, PROCEDURE & EQUIPMENT

OVERSIGHT: Bureau of Land Management, Mr. Jerry Blakley, Petroleum Engineer; Oil Conservation Division, Michael Bratcher

PREPARATION:

Permits required from both the Bureau of Land Management and Oil Conservation Division. Our deadline line date to complete the plugging was September 15, 2008. Plugging of the 4 wells was complete on September 19, 2008.

Temporary Pits were required to be dug for each well and lined with plastic to be disposed of with the local environmentally safe depository. Pits were dug by Mequite and Sweatt Equipment. Lining installed by Mesquite roustabouts. Contaminated fluid material from the well deposited into the plastic lined pits was removed by OK Hot Oil Disposal Services.

EQUIPMENT:

Pulling Rig & Tubing: Owned and Operated by Darnel Finney

Water Pumping Truck: Owned and Operated by Darnel Finney

Generator for Rig Operation: Owned and Operated by Darnel Finney

Back Hoes: Mesquite & Sweatt Construction

Track Hoes: Sweatt Construction

Cement: Southeast Redi-Mix of Artesia, New Mexico

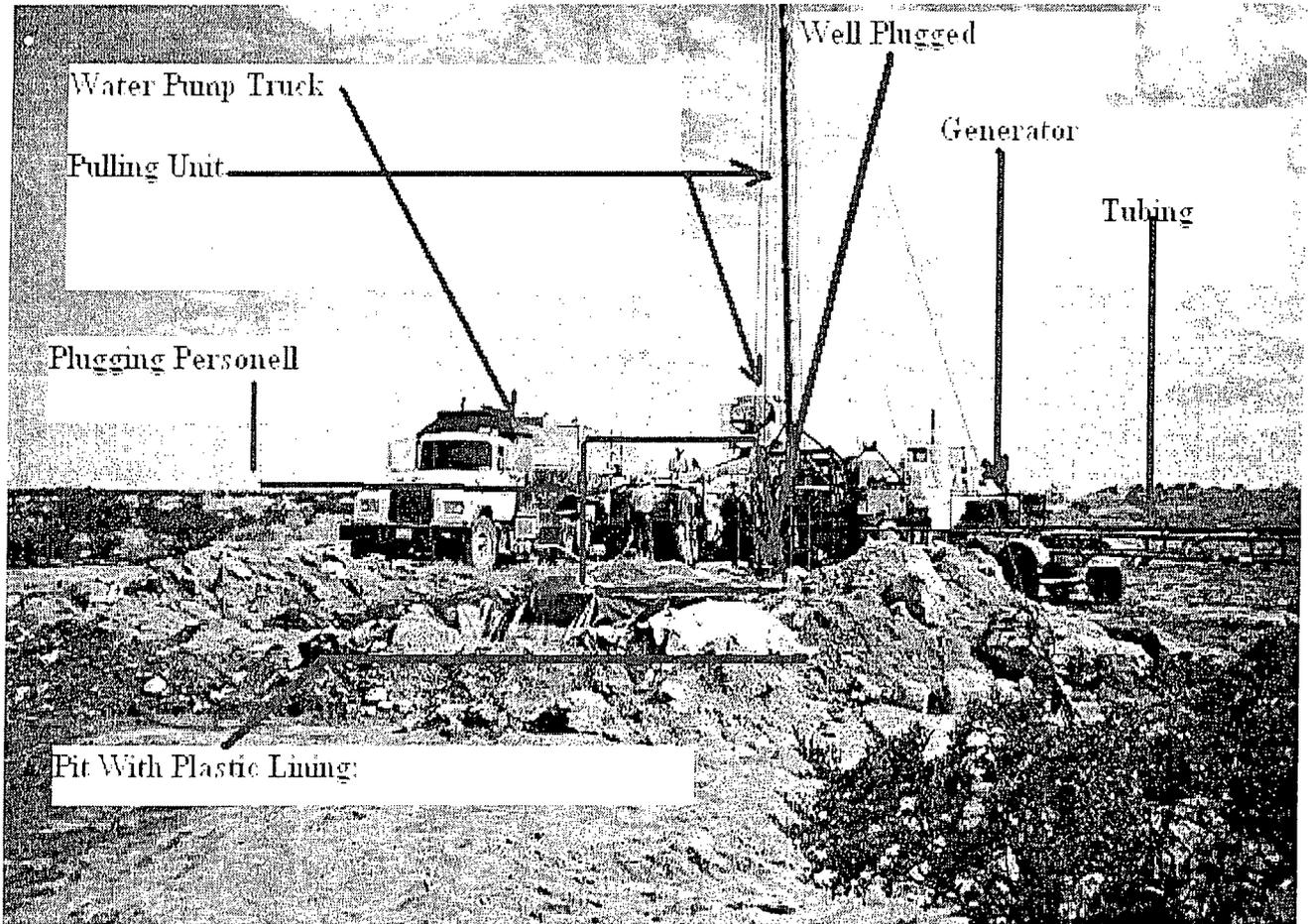
PERSONNEL:

Darnel Finney, Foreman; Thomas Kizer, Lease Owner; Robert Crook; Larry Ivans; Kirk Kilman; Casey Sweatt; Jimmy/Mesquite.

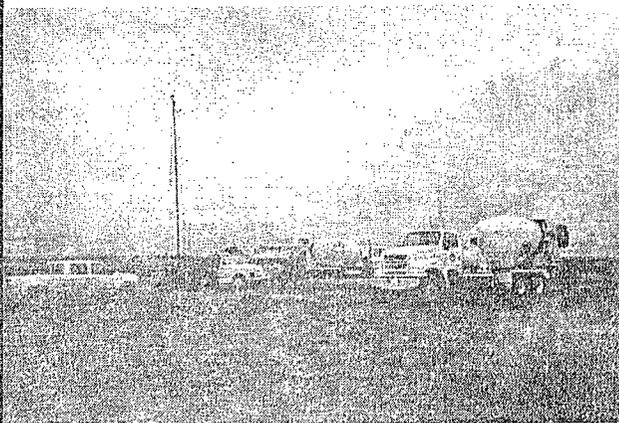
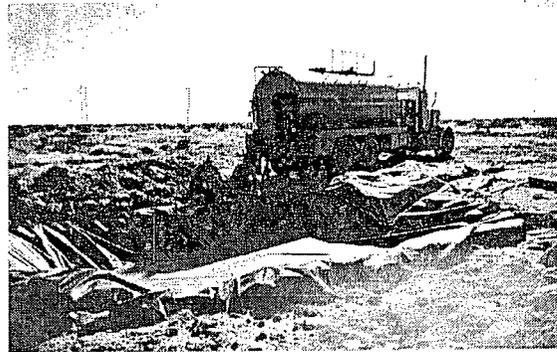
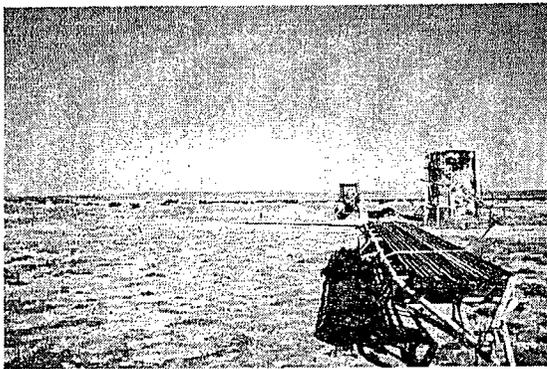
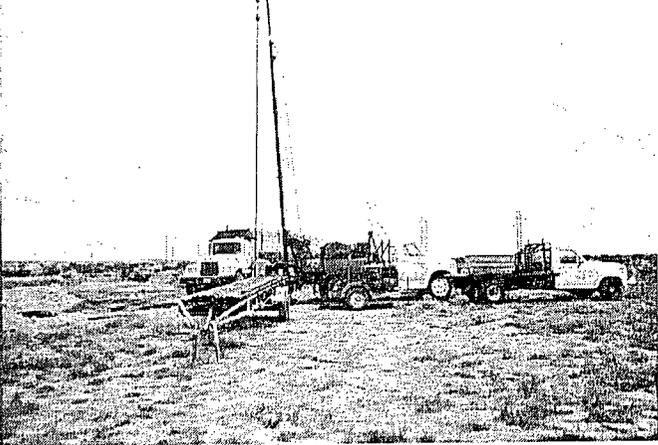
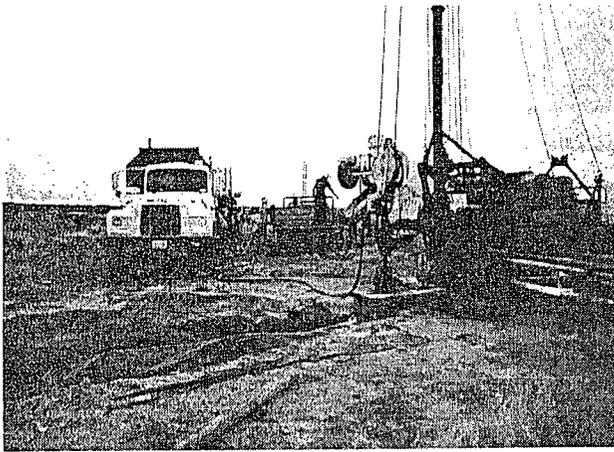
PROCEDURE:

Clean work area, remove pipe and other debris left by drilling team. Dig & Line Temporary Pits with Plastic; Rig Up Pulling Unit, Clean tubing, Set up Water Pumping Unit. Pulling Unit carried about 700 feet of tubing. Tubing put down hole to depth. Water pumped into hole. Amount of cement required for plugging determine by depth of hole, casing in hole and grade of cement.

Each hole required approximate 160 sacks of cement. This was nearly 6 times more that estimated by Chris Jeffries. The Wells, Shearn Becky and Shearn Freedom were not cased wells. These were open holes. There the water in the holes had caused the well to enlarged at the lower levels. Due to the time delay in plugging the wells the water in the wells required that more cement be deposited in the holes for plugging. This increase the cost estimated at \$800 of cement to be nearly \$2000 to \$3000 per hole.



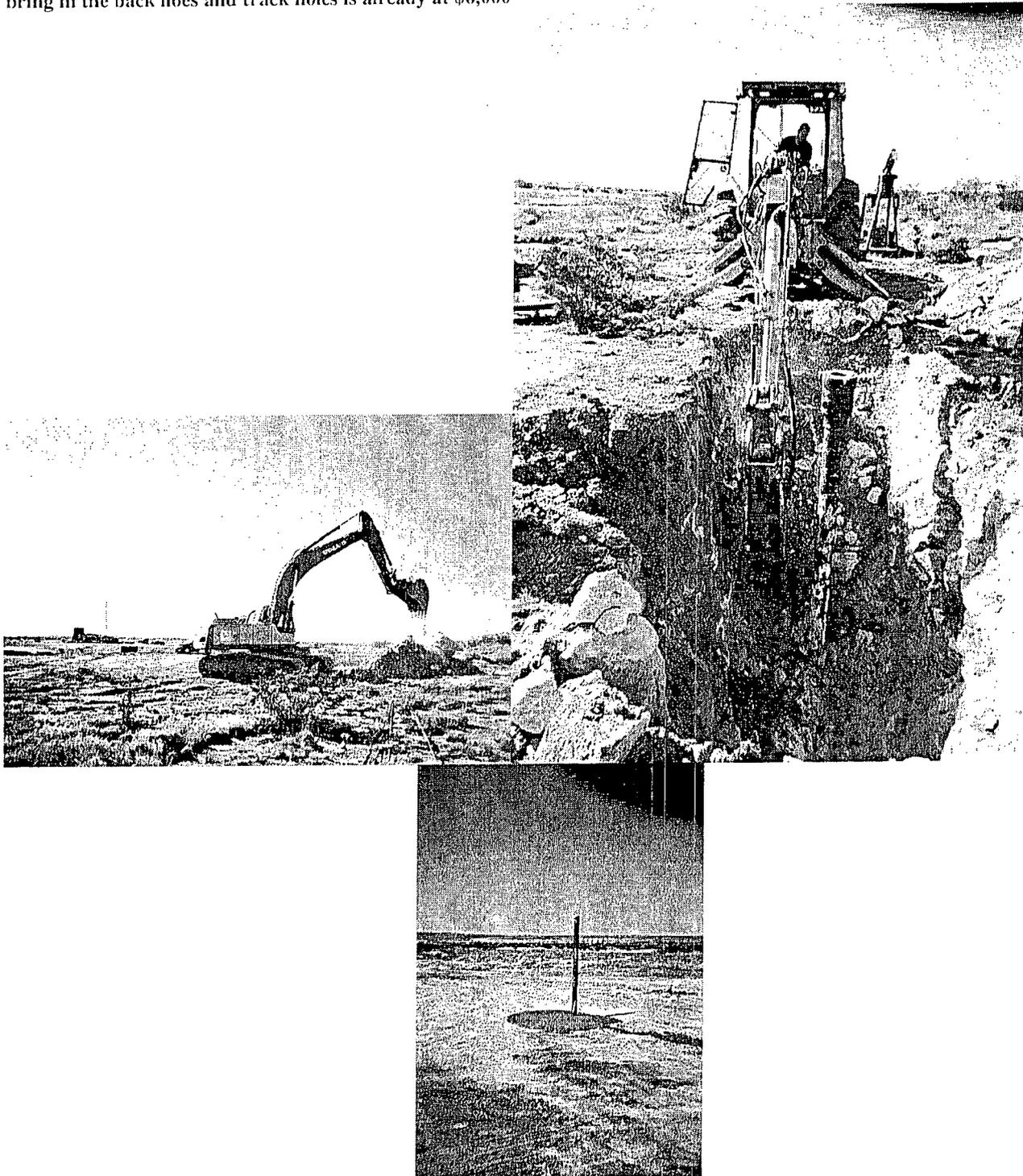
PREPARATION & PROCEDURES WERE REQUIRED FOR EACH WELL



PHOTOS OF WELL SITE PREPARATION, FLUID DISPOSAL, NIGHT WORK, PIT PREP, THUNDER SHOWERS AND CEMENT TRUCKS AT THE VARIOUS WELL SITES

This is the problem well: Apparently a object was stuck in the hole. It was estimated at about 15-20 feet. The BLM instructed That we dig down 15-20 feet and cut the casing below the spot where the obstacle was estimated to be. Unfortunately, the ground was all rock from about 10-20 feet. The BLM said to cover up the hole. As you can see we required not only a back-hoe, but also

A track hoe to comply with the BLM requirement. We were NOT able to plug the hole. We will be required to cover the hole back up, weld the casing back on the pipe, and then bring drilling rig on the property to hopefully drill the item out. The cost to bring in the back hoes and track hoes is already at \$6,000



OBJECTIVE ACCOMPLISHED ON 4 OF THE 5 HOLES