

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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 026528

6. If Indian, Allottee or Tribe Name

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
JAY MANAGEMENT CO., LLC

3a. Address
2425 WEST LOOP SOUTH, SUITE 810 - HOUSTON, TX 77027

3b. Phone No. (include area code)
713.621.6785

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC. 17, T-11S, R-33E - 1980' FSL & 1980' FEL

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

JAN 17 2014

8. Well Name and No.
DOLLY NO. 1

9. API Well No.
30-025-22370

RECEIVED

10. Field and Pool or Exploratory Area
N. BAGLEY (PERMO PENN)

11. Country or Parish, State
LEA COUNTY, 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 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 checked="" 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.)

MOVE IN RIG 12/10/12

*Trip in hole with 2-78" tubing with turned down and beveled couplings to 9150'. POOH.

*Rig up WL truck, pick up CIBP, TIH and set @ 9150'. Dump 10' of cement.

*Pick up 3-1/8" perforating gun loaded 4 SPF, PERFORATE:

8480-8487 8647-8652 8877-8880

*TIH and set Packer @ 8350'. Test backside to 500#. Pump 5000 gallons (320 Gallons P/FT) of 15% acid with additives and drop 65 Bio Balls at a rate of 10-12 BPM, 4500 psi max.

*Swab well and test.

OBJECTIVE FORMATION IS: Wolfcamp.

See attached requirements, Answer required by 2/15/2014

Rejected - if this was planned work, it is on N.T. Operator indicated the work was already completed. If so, it was performed w/o approval. M.M. Ingram, Supr. Pete Enger 1/15/14

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
BETTIE WATSON

Title CONSULTANT

Signature

Bettie Watson

Date 12/11/2012

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)

JAN 21 2014

Dolly 1
30-025-22370
Jay Management Co., LLC
January 15, 2014
Requirements

Notes:

- 1. Operator was issued a 60 day letter on this lease in April 11, 2012.**
- 2. Operator submitted sundries to perform work.**
- 3. Operator was to commence work by May 31, 2012.**
- 4. Operator submitted a Subsequent Report October 8, 2012 stating that they had returned the well to production. Operator was required to submit economics that the well was producing in paying quantities. Operator has not submitted that to date. Therefore, they are in non-compliance.**
- 5. Operator then sent in a sundry on 12/11/2012 stating that they planned to move in on the well on 12/10/2012. This was submitted as a subsequent report, which implies that the work has been completed. That sundry listed perforations in the Wolfcamp.**
- 6. Then the operator submitted a sundry on December 20, 2012 to indicate that the well was on production but did not provide any dates. A subsequent report is required to show the dates that actions occurred. Since this sundry came in after the subsequent report for the re-completion to the Wolfcamp, it implied that the work had been performed.**
- 7. The production figures do not match what was submitted to NMOCD. Also, the BLM shows no production reports after April 2013, but NMOCD has reports through September 2013.**

Operator is to provide a detailed account of the operations by date for this well since May 31, 2012. The operator is in non-compliance on this well as they did not provide the economics requested over a year ago.

Operator shall address the above concerns by February 15, 2014.

WWI 011514