

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OM B 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
 Kaiser-Francis Oil Company ✓

3a Address
 P.O. Box 21468, Tulsa, OK 74121-1468

3b Phone No. (include area code)
 918-491-4314

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
 NE SE (1980' FSL & 660' FEL) of Sec. 36-23S-33E
 Unit - 1

5 Lease Serial No
 -

6 If Indian, Allottee or Tribe Name
 -

7 If Unit or CA/Agreement, Name and/or No
 68292-891001066C

8. Well Name and No
 Bell Lake Unit #18 ✓

9 API Well No
 30-025-25302 ✓

10 Field and Pool, or Exploratory Area
 Bell Lake Atoka South (Gas)

11 County or Parish, State
 Morrow
 Lea/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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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.)

This is to request TA status approval for one year. See attached proposal letter.

See attached

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 JUL 13 2009
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14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

Charlotte Van Valkenburg

Title Technical Coordinator

Signature

Charlotte Van Valkenburg

Date 12/18/08

ACCEPTED FOR RECORD

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

Office

Wesley W. Ingram

DISTRICT 1 SUPERVISOR

Date JUL 1 2009

WESLEY W. INGRAM

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)

JUL 13 2009

December 10, 2008

United State Department of the Interior
Bureau of Land Management
414 West Taylor
Hobbs, NM 88240

Attention: Andrea Massengill

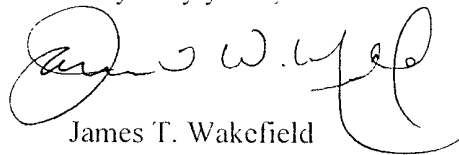
RE: BLM Request to P&A
Kaiser-Francis Oil Company Operated
Bell Lake 18, NE SE Sec 36-23S-33E
Lea County, New Mexico

Dear Ms. Massengill:

As we discussed, Kaiser-Francis Oil Company (Kaiser) requests a one year extension of the BLM's request to Plug and Abandon the subject wellbore until November 11, 2009 in order to provide time to test several Bone Springs and Delaware sand zones (see attached workover summary) behind-pipe in the subject wellbore. The attached Bell Lake 18 wellbore schematic shows that a CIBP has been placed at a depth of 12,650' to isolate the zones tested in this wellbore. Also, find attached for the BLM's records a copy of the June 7, 2006 Form C-103 filed with the State of New Mexico Oil Conservation Division in regard to Kaiser's May 22, 2006 MIT of the subject well.

Given that the Bell Lake 18 wellbore does not pose an immediate pollution risk, and that the Bone Springs and Delaware sands have the potential to produce at commercial rates, it is requested that Kaiser be granted a one year extension to utilize or plug and abandon this temporarily abandoned wellbore.

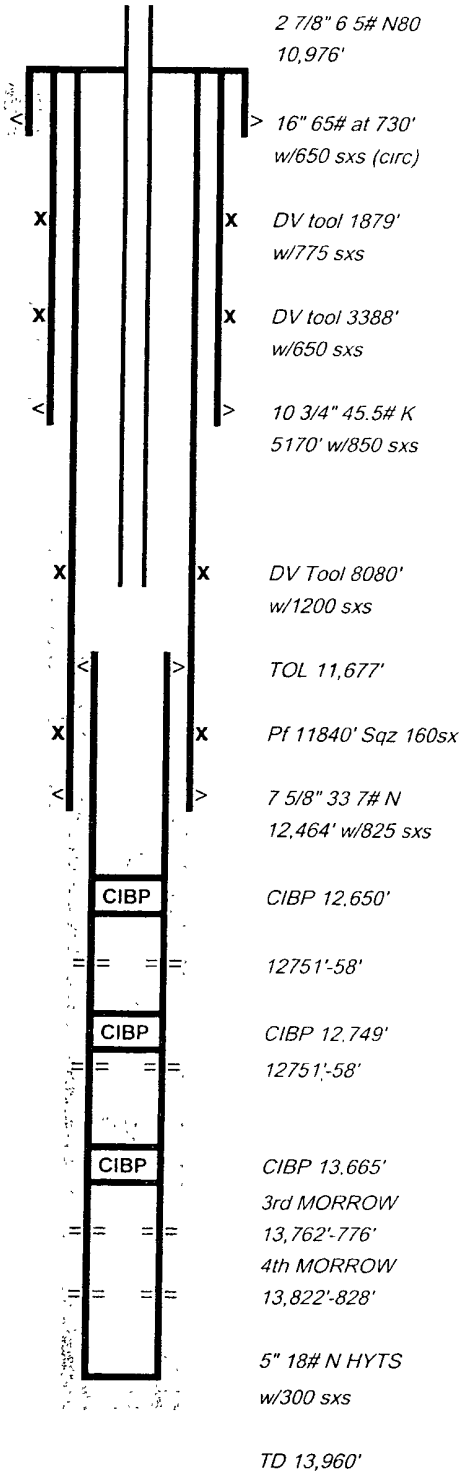
Very truly yours,



James T. Wakefield
VP KF Energy LLC

WELL DIAGRAM (08/09/05)

BELL LAKE UNIT 3-18
 1980' FSL & 660' FEL
 SECTION 36-23S-33E
 LEA COUNTY, NEW MEXICO



SPUD: 9/18/76 KB: 3652' GL: 3632'

COMPLETION

PF: 7 5/8" casing at 11,840'. Cmt w.160 sxs

RIH w/Baker FB-1 pkr. Set at 11,487'

Perf thru tubing: ATOKA: 13762'-76'; 13822'-28' (4spf)

Produced naturally

WO: 06/00: INSTALL SIPHON STRING

RIH w/1 1/2" tbg to 13,770'. Jet in w/N2. Put on compressor

Lower to 13,869'. Jet w/N2. Put on compressor. Still no good.

WO: 01/00: PUT ON PUMP

Pull 1 1/2". Ck TD at 13,872'. Cut off tbg at 11,464'. Circ lots of mud

RIH w/2448' of 1 1/2", XO, 2 7/8" tbg. EOT at 13,759'. SN 13730'. TA 11276'

Trouble with magnetic fines in mud. Would not pump.

WO: 04/01: CLEAN OUT MUD/MILL OUT PKR ETC

Mill up packer. CO to 13,868'. Acid w/500 gal 7 1/2% Morrow acid, N2,

and 125 gal methanol, under a packer. Put on pump. Still having problems with magnetic fines.

WO: 09/02: Set CIBP and run MIT test

Bad Fishing Job Cut off tbg at 13,670'. Set CIBP 13,665' w/2 sxs cmt

Test Casing to 650#

WO: 12/02: RECOMPLETE INTO ATOKA

RIH w/Arrow 1 pkr. Set at 12,599'. PF: ATOKA. 12751'-58' (2spf). Test

Set CIBP at 12,749' w/cmt on top. Test CIBP to 2000#. OK.

PF: UPPER ATOKA: 12715'-20'; 24'-34' (2spf). Acid w/500 gal 15% NEFE.

Unsuccessful. Set CIBP at 12,650' w/2 sxs cmt on top. TIH w/SN, 353 jts

2 7/8" 6.5# N80 at 10,976'

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.	30--25-25302
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	E-5096
7. Lease Name or Unit Agreement Name	Bell Lake Unit
8. Well Number	18
9. OGRID Number	012361
10. Pool name or Wildcat	Bell Lake Atoka South (Gas)
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	n/a
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Kaiser-Francis Oil Company

3. Address of Operator
P. O. Box 21468, Tulsa, OK 74121-1468

4. Well Location
 Unit Letter I : 1980 feet from the South line and 660 feet from the East line
 Section 36 Township 23S Range 33E NMPM Lea County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input checked="" type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

This is to request TA status to hold well for uphole potential in the Cherry Canyon zone.

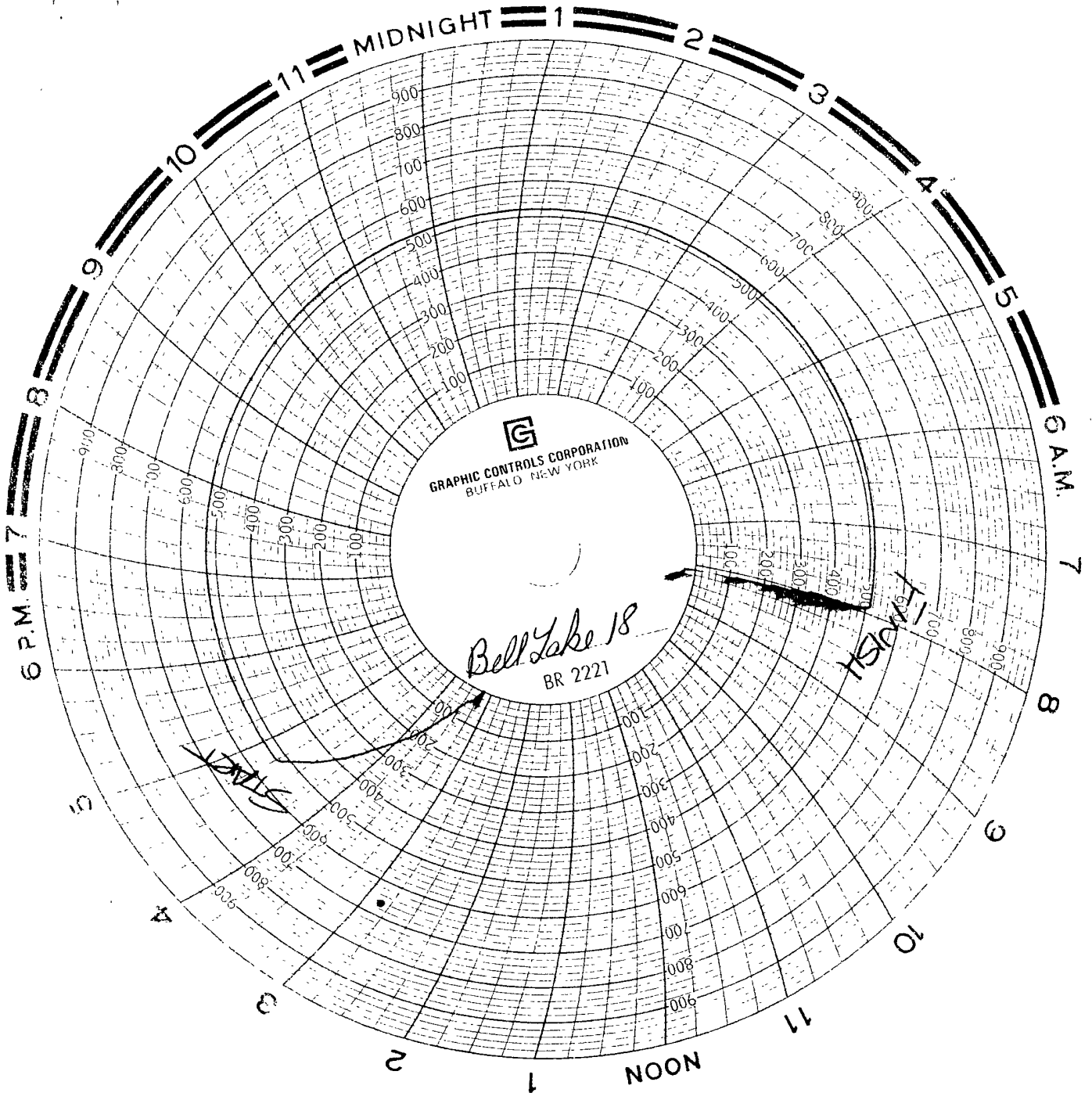
Pressure chart from MIT test is attached.

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I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Charlotte Van Valkenburg TITLE Technical Coordinator DATE 6/7/06
 Type or print name Charlotte Van Valkenburg E-mail address: Charlotv@KFOC.net Telephone No. 918-491-4314
For State Use Only

APPROVED BY: Cary W. Hill TITLE DISTRICT 1 SUPERVISOR DATE JUL 13 2009
 Conditions of Approval (if any): _____



Mark Deane
SANTIAGO M.
BELL LAKE #18
5-22-06
2:04 - 2:34
KAISER-FRANCIS

Date: August 1, 2008

To: Jim Wakefield

Re: Bell Lake #18
36-23S-33E
Lea Co., NM.

Per the attached email, I have attempted to determine the cost to test several zones in this well.

Discussion per zone follows: AFEs are attached.

2nd Bone Springs Lime (9140'-9238'):

- Estimated cost to test is \$320,000.
- N cement across this zone.

LBC Mobil (8650'-8749'):

- Estimated cost to test is \$162,000.

LBC Medanos (8472'-8511'):

- Estimated cost to test is \$162,000.

Upper Brushy Canyon (8132'-8218'):

- Estimated cost to test is \$162,000.

1/8" DV Test @ 8,000'

Cherry Canyon (7590'-7640'):

- Estimated cost to test is \$227,000.
- No cement across this zone behind casing.

NOTE: IF ANY OF THESE ZONES ARE PRODUCTIVE, WE WILL HAVE TO INSTALL ARTIFICIAL LIFT EQUIPMENT AND POSSIBLY BUILD A TANK BATTERY. ESTIMATED COST FOR THIS IS \$281,000. AFE ATTACHED.

Please let me know if you need anything else.


Drew Tyler

Drew Tyler

From: Jim Wakefield
Sent: Friday, June 13, 2008 4:57 PM
To: Drew Tyler; Brent Meadows; Amy Davenport
Cc: Glen Taylor; Neal DeShazo; Wayne Fields
Subject: Bell Lake Unit #18 Recompletion to Bone Springs and Delaware

Unfortunately, there is no mud log over this portion of the wellbore. Using open-hole logs I propose that we test the following intervals:

2nd Bone Springs Lime: 9,140' to 9,238'. This interval has 6% to 11% porosity with greater than 1,000 ohm-m LL deep readings with a hole size of 10 1/4" vs bit size of 9 1/2"...so relatively in gauge with no washouts.

The porosity makes me want to test this zone, but the high resistivity is a negative factor since most limes are tight with LL deep readings > 1,000 ohm-m. As a result, I'd like to perf and do a break-down acid job and observe results prior to spending money on a frac. There are no known 2nd Bone Springs Lime tests in the area.

LBC Mobil zone: 8,650-53', 8,662-64', 8,668-82' and 8,726-49'. This zone has relatively low porosities of 8% to 11%, but resistivities are greater than 10 ohm-m. The zone is likely low perm, but should produce with a frac. Unfortunately, the zone will likely need a frac before it will produce.

LBC Medanos zone 8,472' to 8,511'. This zone has excellent porosity of 18%, but LL deep is only 2 to 3 ohm-m, and there is very little spread between LL deep and medium...invaded???

There is the chance that this zone is wet. So we need to test for oil after perf and breakdown acid job before spending money on a frac.

Upper Brushy Canyon (UBC) Sands: 8,131-42', 8,190-98' and 8,210'-18'. These sands have porosity of 12% to 14% with 5-7 ohm-m LL deep. These sands are likely to be low perm, so they may not yield much oil after perf and breakdown. However, I'd test before fracing.

✓ If none of the above zones produce commercially, we should at least perf the following Cherry Canyon zones prior to P&A: 7,590' to 7,600', and 7,630' to 7,640'. These sands occasionally will produce 10 to 25 MBO with water in the Bell Lake area.

→ Drew, please prepare an AFE to test these zones. Wayne will need to confirm, but I believe KFOC owns 100% of the rights above 9,000', and roughly 85% of the deeper rights. As a result, the 2nd Bone Springs test will have to be proposed to the South Bell Lake Unit #18 WIO's. If it fails KFOC will need to establish a net salvage value for the wellbore and purchase it from the SBLU WIO's in this wellbore.

You should plan on running a cement bond log to determine if we need to conduct an isolation squeeze given the casing and cement program below.

10 3/4" casing is set at 5,170'
7 5/8" casing was set at 12,464' and cemented in two stages: 1st stage contained 825 sxs and 2nd stage 1,200 sxs with DV tool at 8,080'.

KAISER-FRANCIS OIL COMPANY
P O. BOX 21468
TULSA, OKLAHOMA 74121-1468
AUTHORITY FOR EXPENDITURE

LEASE & WELL NO Bell Lake #18 LEASE ID NO _____ DATE _____

LOCATION 36-23S-33E

FIELD _____ COUNTY Lea STATE New Mexico

ESTIMATED DEPTH _____ OBJECTIVE ZONE _____ EST DAYS _____

OBJECTIVE Test 2nd Bone Springs Lime (9140'-9238')

TANGIBLE EQUIPMENT

		QUANTITY	SIZE	EXPENDITURE COST	
				DRY HOLE	PRODUCER
700	CONDUCTOR				
701	SURFACE CASING				
702	INTERMEDIATE CSG				
703	LINER				
706	PRODUCTION CSG				
710	TUBING				
720	WELLHEAD EQUIPMENT				
724	PACKERS & DOWNHOLE EQUIPMENT				
765	TANK BATTERY				
768	PUMPING EQUIPMENT				
774	TRANSPORTATION & FREIGHT				
778	NON-CONTROLLABLE EQUIPMENT				
TOTAL TANGIBLES				\$0	\$0

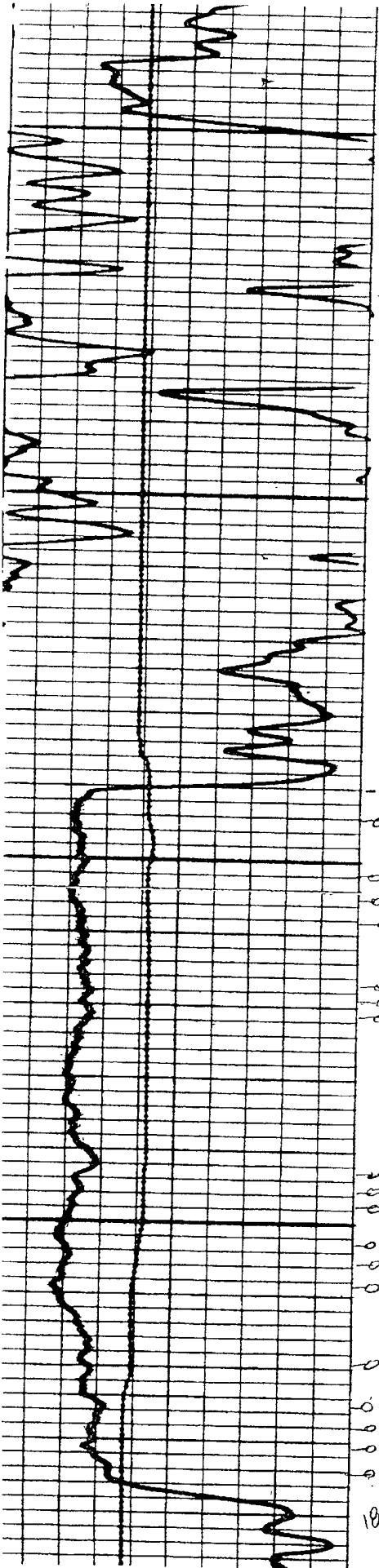
INTANGIBLES

500/600	LOCATION & ROAD EXPENSE				
502/602	LOCATION DAMAGES				
504/604	RIG COST				
#####	FOOTAGE	FT @ \$	/FT		
#####	DAYWORK	DAYS @ \$	/DAY		
#####	COMPLETION RIG				\$75,000
506/606	RIG MOVE				
508	BITS & REAMERS				\$5,000
510/610	FUEL & POWER				
512	WATER				\$5,000
514	MUD & CHEMICALS				
516/616	TOOL & EQUIPMENT RENTAL				\$55,000
518/618	TRANSPORTATION & LOADING				\$5,000
520	DST - CORING & ANALYSIS				
522/622	LOGGING & PERFORATING/WIRELINE				\$50,000
524/624	CEMENTING & SQUEEZING				\$40,000
528/628	PLUGGING & ABANDONMENT				
630	STIMULATION				\$65,000
532/632	GEOLOGICAL & ENGINEERING				
536/636	MISCELLANEOUS LABOR				\$15,000
542/642	COMBINED FIXED RATE				\$5,000
544/644	MISCELLANEOUS				
TOTAL INTANGIBLES				\$0	\$320,000
TOTAL DRY HOLE				\$0	
TOTAL COMPLETED					\$320,000

APPROVED _____

DATE _____

THIS AFE IS AN ESTIMATE ONLY AND NON-OPERATOR, BY EXECUTION OF SAME COMMITS TO PAY ITS PROPORTIONATE SHARE OF ACTUAL COSTS.

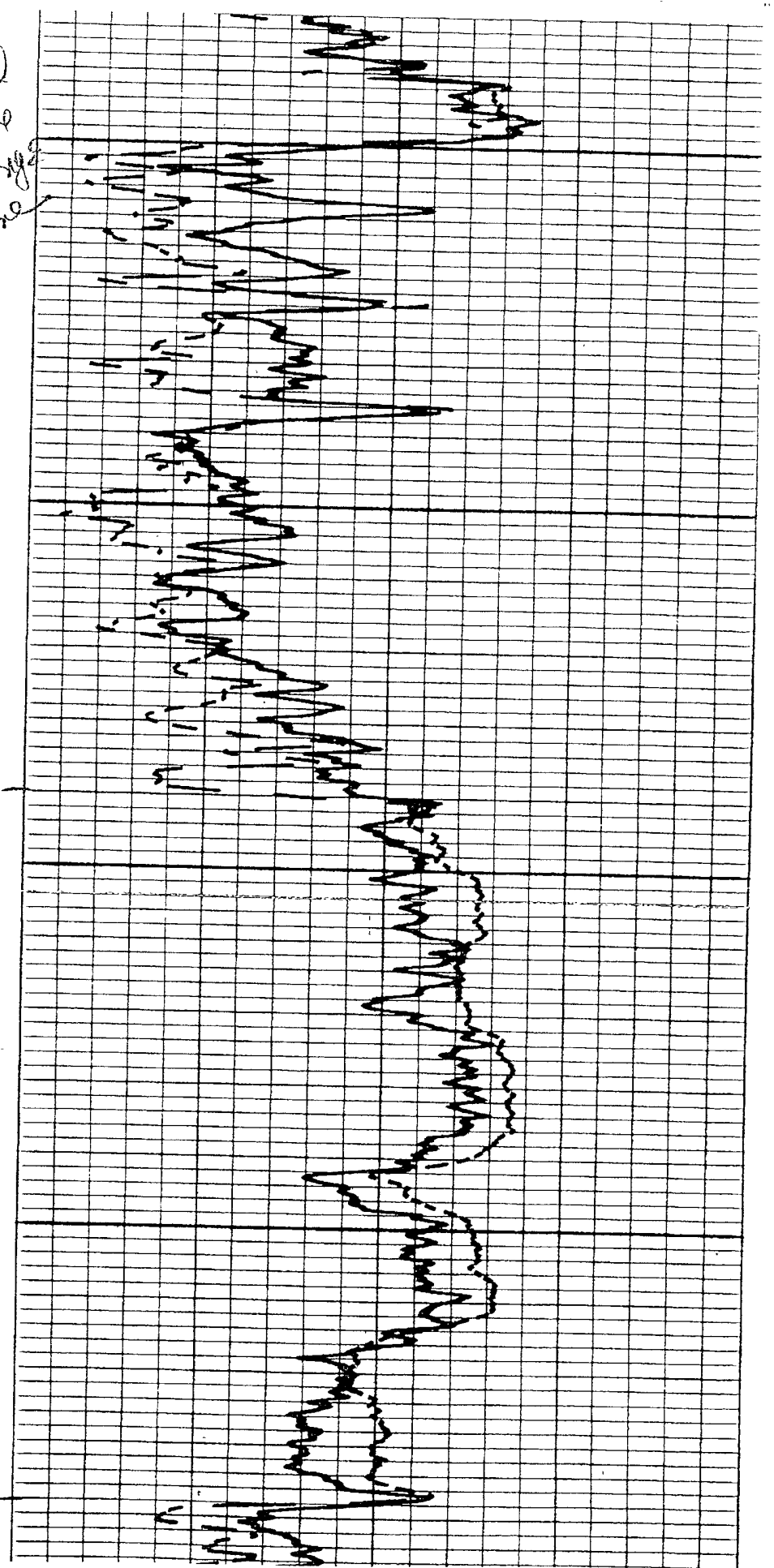


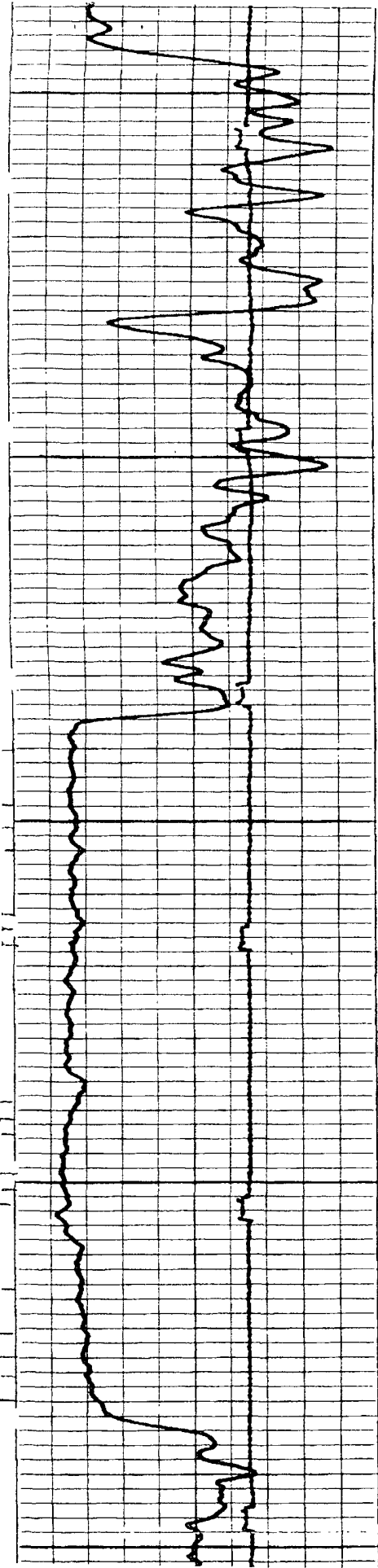
2nd
Bone
Springs
Line

9100

9200

18 holes



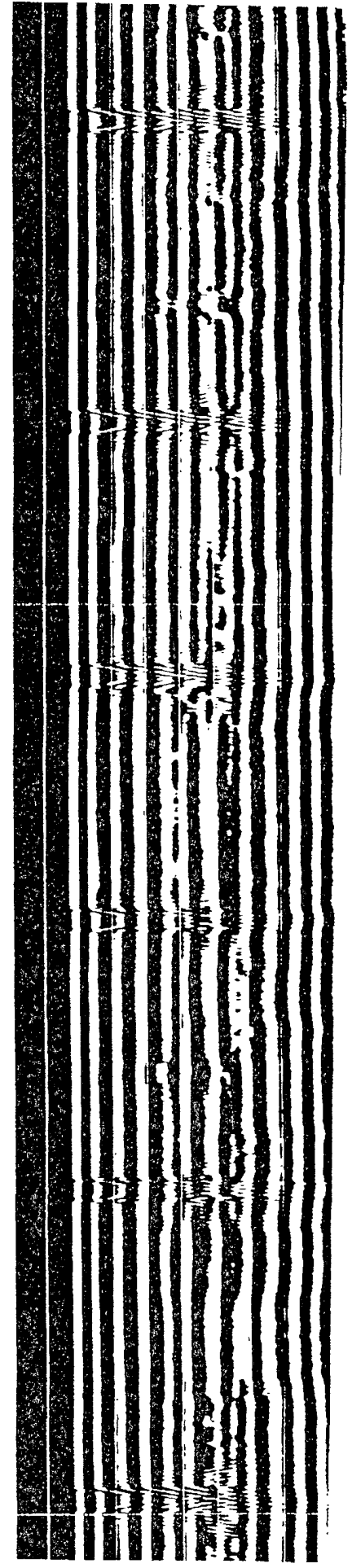
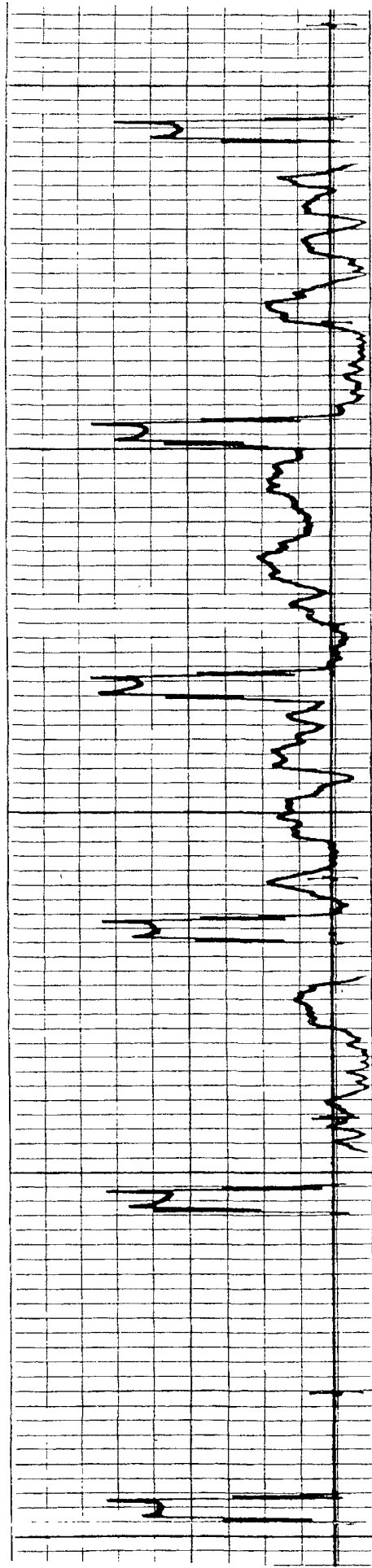


9100

2ND
BONE
SPRINGS
LINE

9200

CBL
||



KAISER-FRANCIS OIL COMPANY
P O BOX 21468
TULSA, OKLAHOMA 74121-1468
AUTHORITY FOR EXPENDITURE

LEASE & WELL NO Bell Lake #18 LEASE ID NO _____ DATE _____
LOCATION 36-23S-33E
FIELD _____ COUNTY Lea STATE New Mexico
ESTIMATED DEPTH _____ OBJECTIVE ZONE _____ EST DAYS _____
OBJECTIVE Test LBC Mobil (8650'-8749")

TANGIBLE EQUIPMENT

	QUANTITY	SIZE	EXPENDITURE COST	
			DRY HOLE	PRODUCER
700 CONDUCTOR				
701 SURFACE CASING				
702 INTERMEDIATE CSG				
703 LINER				
706 PRODUCTION CSG				
710 TUBING				
720 WELLHEAD EQUIPMENT				
724 PACKERS & DOWNHOLE EQUIPMENT				
765 TANK BATTERY				
768 PUMPING EQUIPMENT				
774 TRANSPORTATION & FREIGHT				
778 NON-CONTROLLABLE EQUIPMENT				
TOTAL TANGIBLES			\$0	\$0

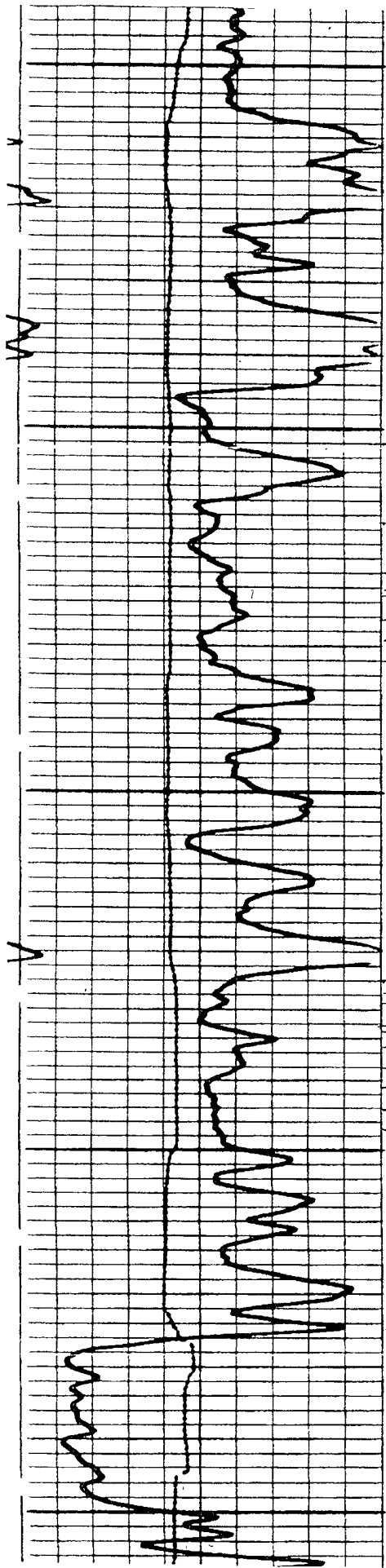
INTANGIBLES

500/600 LOCATION & ROAD EXPENSE				
502/602 LOCATION DAMAGES				
504/604 RIG COST				
##### FOOTAGE FT @ \$ /FT				
##### DAYWORK DAYS @ \$ /DAY				
##### COMPLETION RIG				\$40,000
506/606 RIG MOVE				
508 BITS & REAMERS				
510/610 FUEL & POWER				
512 WATER				\$5,000
514 MUD & CHEMICALS				
516/616 TOOL & EQUIPMENT RENTAL				\$15,000
518/618 TRANSPORTATION & LOADING				
520 DST - CORING & ANALYSIS				
522/622 LOGGING & PERFORATING/WIRELINE				\$20,000
524/624 CEMENTING & SQUEEZING				
528/628 PLUGGING & ABANDONMENT				
630 STIMULATION				\$65,000
532/632 GEOLOGICAL & ENGINEERING				
536/636 MISCELLANEOUS LABOR				\$12,000
542/642 COMBINED FIXED RATE				\$5,000
544/644 MISCELLANEOUS				
TOTAL INTANGIBLES			\$0	\$162,000
TOTAL DRY HOLE			\$0	
TOTAL COMPLETED				\$162,000

APPROVED _____

DATE _____

THIS AFE IS AN ESTIMATE ONLY AND NON-OPERATOR, BY EXECUTION OF SAME COMMITS TO PAY ITS PROPORTIONATE SHARE OF ACTUAL COSTS

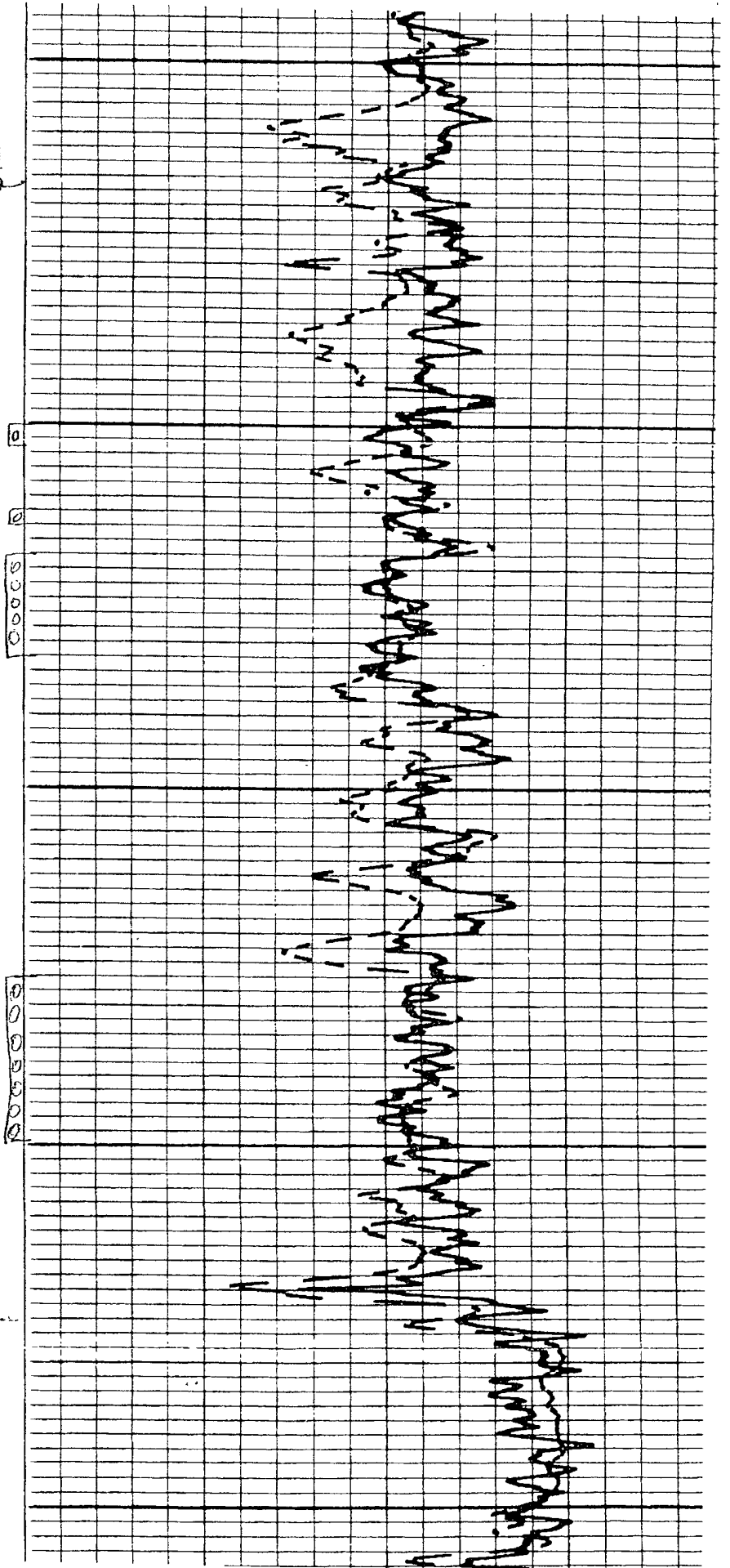


8600
LBC
Mobil
zone

8700

P.S.
Line

8800

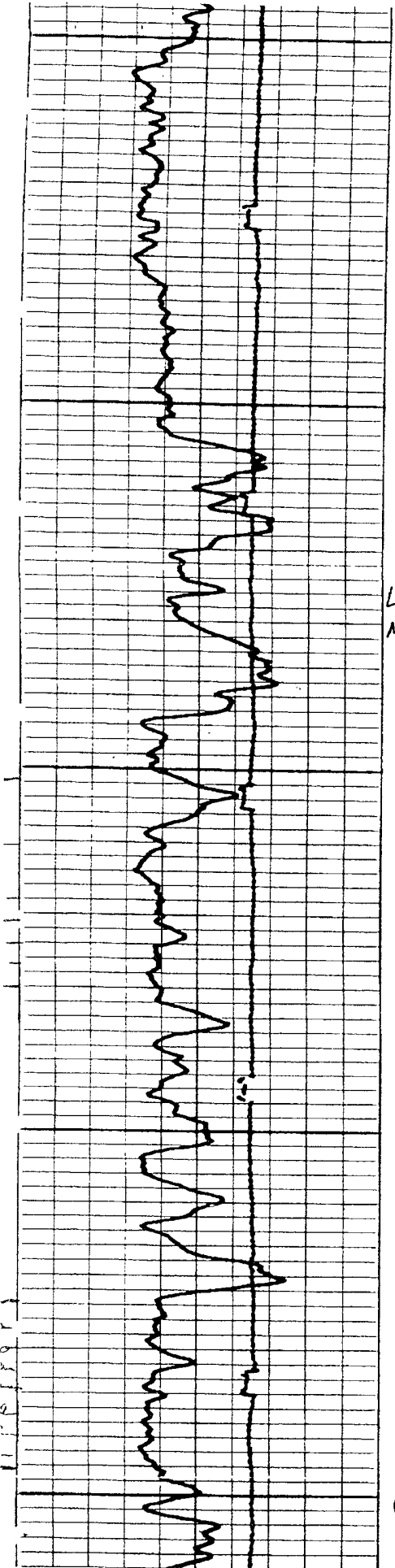


8600

8700

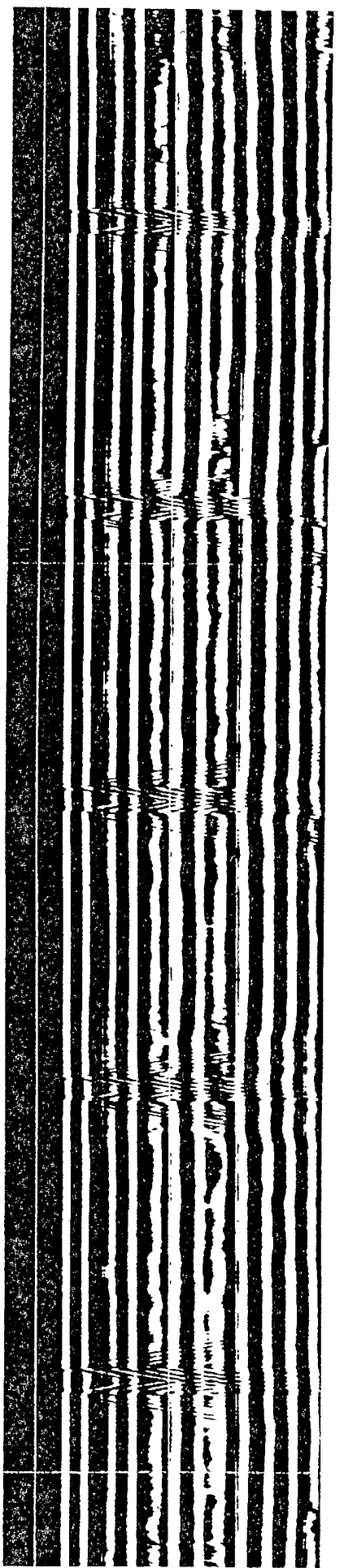
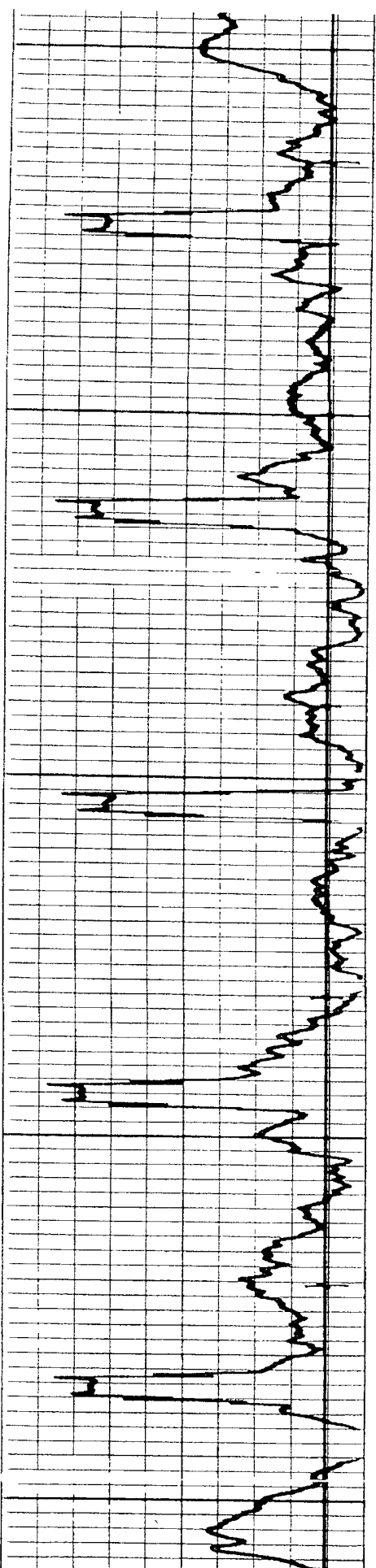
COCS

COCS



8600

8700



KAISER-FRANCIS OIL COMPANY
P O BOX 21468
TULSA, OKLAHOMA 74121-1468
AUTHORITY FOR EXPENDITURE

LEASE & WELL NO Bell Lake #18 LEASE ID NO _____ DATE _____
 LOCATION 36-23S-33E
 FIELD _____ COUNTY Lea STATE New Mexico
 ESTIMATED DEPTH _____ OBJECTIVE ZONE _____ EST DAYS _____
 OBJECTIVE Test LBC Medanos (8472'-8511')

TANGIBLE EQUIPMENT

	QUANTITY	SIZE	EXPENDITURE COST	
			DRY HOLE	PRODUCER
700 CONDUCTOR				
701 SURFACE CASING				
702 INTERMEDIATE CSG				
703 LINER				
706 PRODUCTION CSG				
710 TUBING				
720 WELLHEAD EQUIPMENT				
724 PACKERS & DOWNHOLE EQUIPMENT				
765 TANK BATTERY				
768 PUMPING EQUIPMENT				
774 TRANSPORTATION & FREIGHT				
778 NON-CONTROLLABLE EQUIPMENT				
TOTAL TANGIBLES			\$0	\$0

INTANGIBLES

500/600 LOCATION & ROAD EXPENSE				
502/602 LOCATION DAMAGES				
504/604 RIG COST				
##### FOOTAGE FT @ \$ /FT				
##### DAYWORK DAYS @ \$ /DAY				
##### COMPLETION RIG				\$40,000
506/606 RIG MOVE				
508 BITS & REAMERS				
510/610 FUEL & POWER				
512 WATER				\$5,000
514 MUD & CHEMICALS				
516/616 TOOL & EQUIPMENT RENTAL				\$15,000
518/618 TRANSPORTATION & LOADING				
520 DST - CORING & ANALYSIS				
522/622 LOGGING & PERFORATING/WIRELINE				\$20,000
524/624 CEMENTING & SQUEEZING				
528/628 PLUGGING & ABANDONMENT				
630 STIMULATION				\$65,000
532/632 GEOLOGICAL & ENGINEERING				
536/636 MISCELLANEOUS LABOR				\$12,000
542/642 COMBINED FIXED RATE				\$5,000
544/644 MISCELLANEOUS				
TOTAL INTANGIBLES			\$0	\$162,000
TOTAL DRY HOLE			\$0	
TOTAL COMPLETED				\$162,000

APPROVED: _____

DATE _____

THIS AFE IS AN ESTIMATE ONLY AND NON-OPERATOR. BY EXECUTION OF
SAME COMMITS TO PAY ITS PROPORTIONATE SHARE OF ACTUAL COSTS.

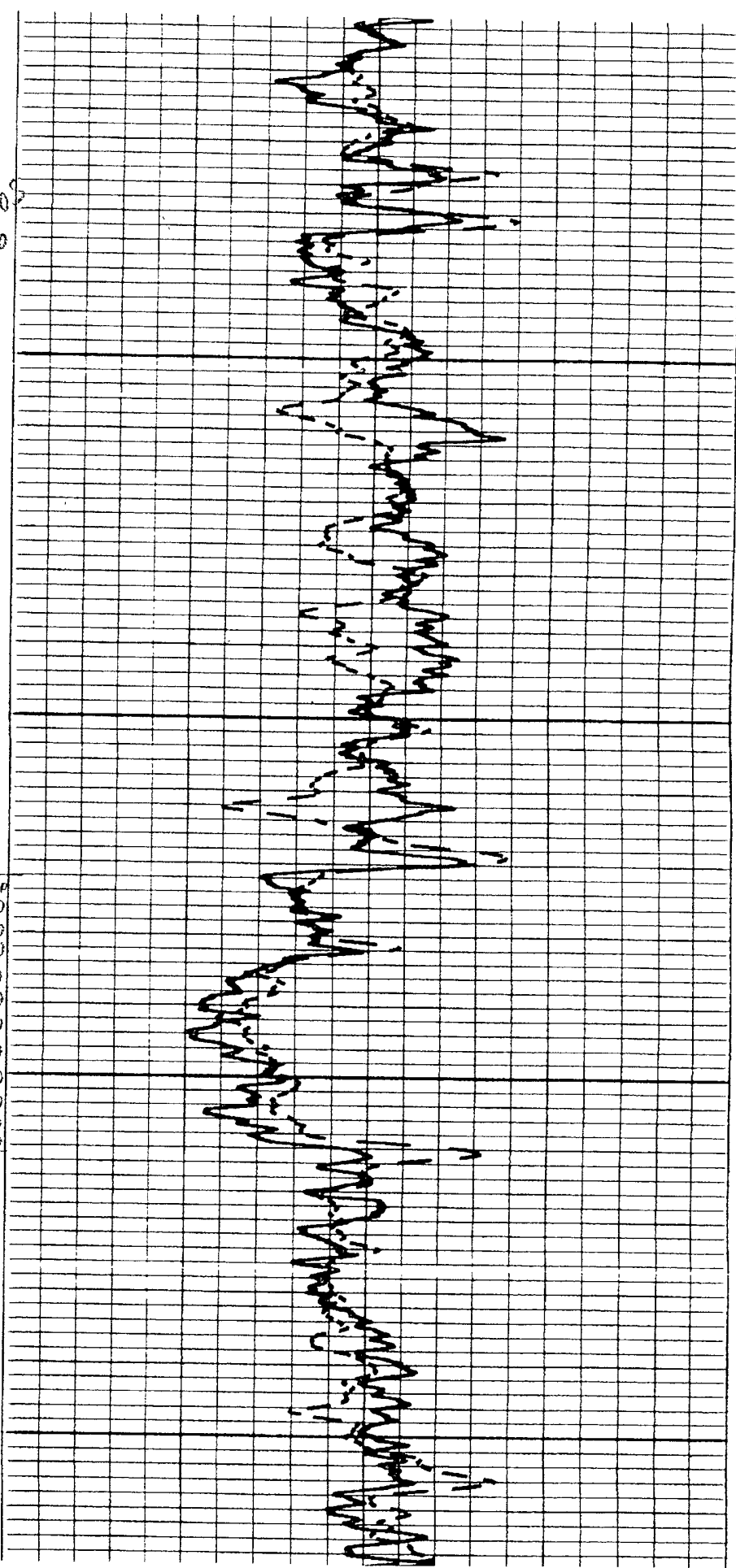
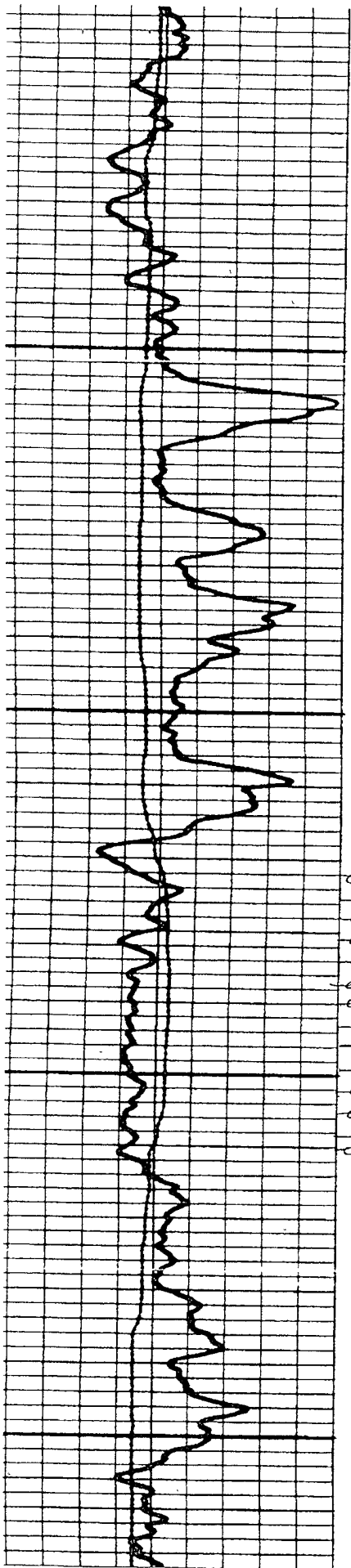
LBC
Medano
2020

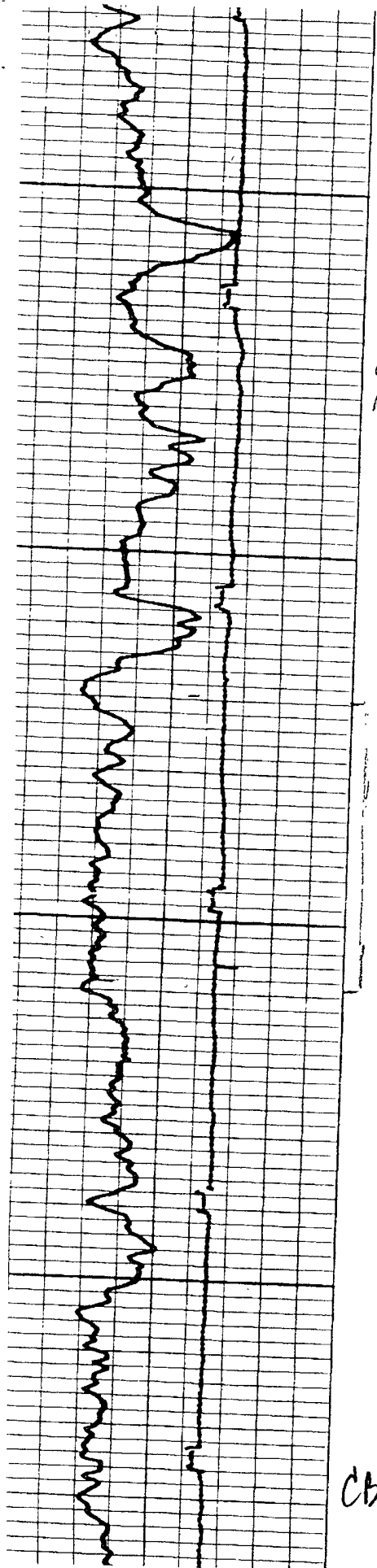
0048

0058

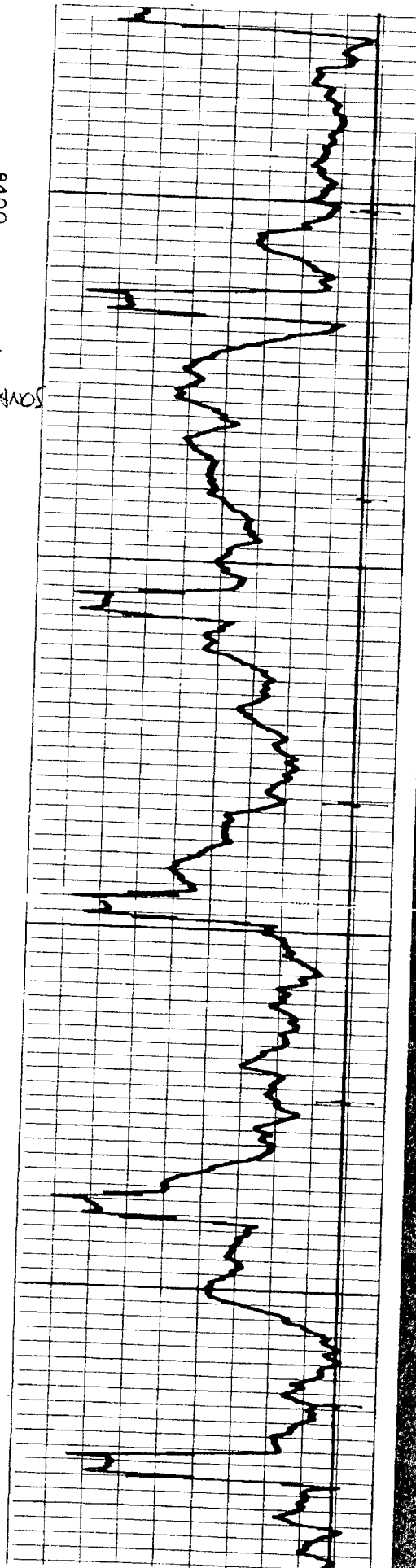
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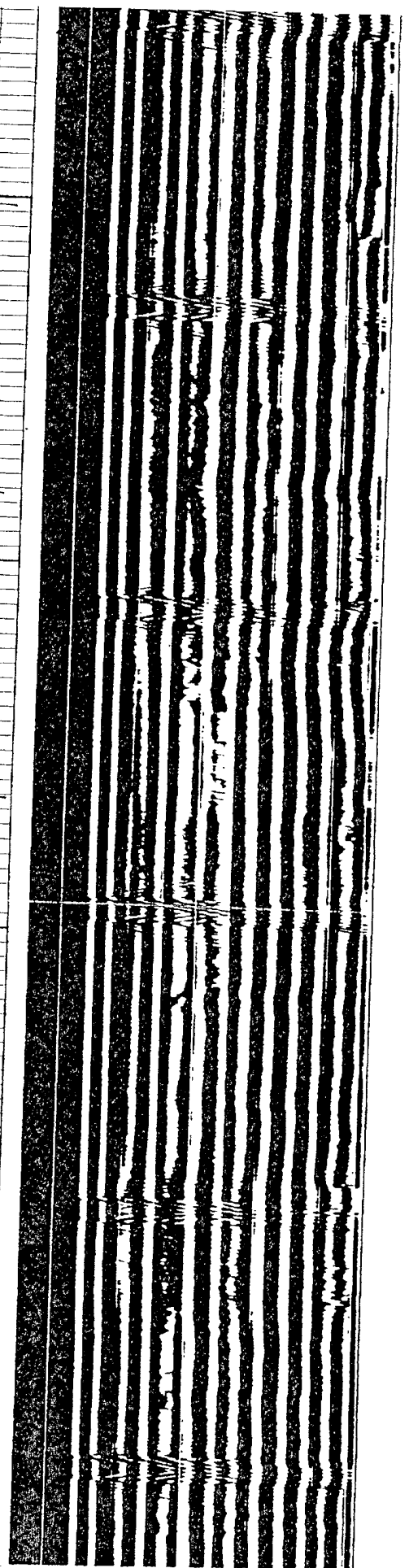




8400
LBC
MEOWS



8500
CBL



KAISER-FRANCIS OIL COMPANY
P O BOX 21468
TULSA, OKLAHOMA 74121-1468
AUTHORITY FOR EXPENDITURE

LEASE & WELL NO Bell Lake #18 LEASE ID NO _____ DATE _____
LOCATION 36-23S-33E
FIELD _____ COUNTY Lea STATE New Mexico
ESTIMATED DEPTH _____ OBJECTIVE ZONE _____ EST DAYS _____
OBJECTIVE Upper Brushy Canyon (8131'-8218')

TANGIBLE EQUIPMENT

	QUANTITY	SIZE	EXPENDITURE COST	
			DRY HOLE	PRODUCER
700 CONDUCTOR				
701 SURFACE CASING				
702 INTERMEDIATE CSG				
703 LINER				
706 PRODUCTION CSG				
710 TUBING				
720 WELLHEAD EQUIPMENT				
724 PACKERS & DOWNHOLE EQUIPMENT				
785 TANK BATTERY				
768 PUMPING EQUIPMENT				
774 TRANSPORTATION & FREIGHT				
778 NON-CONTROLLABLE EQUIPMENT				
TOTAL TANGIBLES			\$0	\$0

INTANGIBLES

500/600 LOCATION & ROAD EXPENSE				
502/602 LOCATION DAMAGES				
504/604 RIG COST				
##### FOOTAGE FT @ \$ /FT				
##### DAYWORK DAYS @ \$ /DAY				
##### COMPLETION RIG				\$40,000
506/606 RIG MOVE				
508 BITS & REAMERS				
510/610 FUEL & POWER				
512 WATER				
514 MUD & CHEMICALS				\$5,000
516/616 TOOL & EQUIPMENT RENTAL				\$15,000
518/618 TRANSPORTATION & LOADING				
520 DST - CORING & ANALYSIS				
522/622 LOGGING & PERFORATING/WIRELINE				\$20,000
524/624 CEMENTING & SQUEEZING				
528/628 PLUGGING & ABANDONMENT				
630 STIMULATION				\$65,000
532/632 GEOLOGICAL & ENGINEERING				
536/636 MISCELLANEOUS LABOR				\$12,000
542/642 COMBINED FIXED RATE				\$5,000
544/644 MISCELLANEOUS				
TOTAL INTANGIBLES			\$0	\$162,000
TOTAL DRY HOLE			\$0	
TOTAL COMPLETED				\$162,000

APPROVED _____

DATE _____

THIS AFE IS AN ESTIMATE ONLY AND NON-OPERATOR, BY EXECUTION OF
SAME COMMITS TO PAY ITS PROPORTIONATE SHARE OF ACTUAL COSTS

Upper
Brushy
Camp

001A

(UBC)

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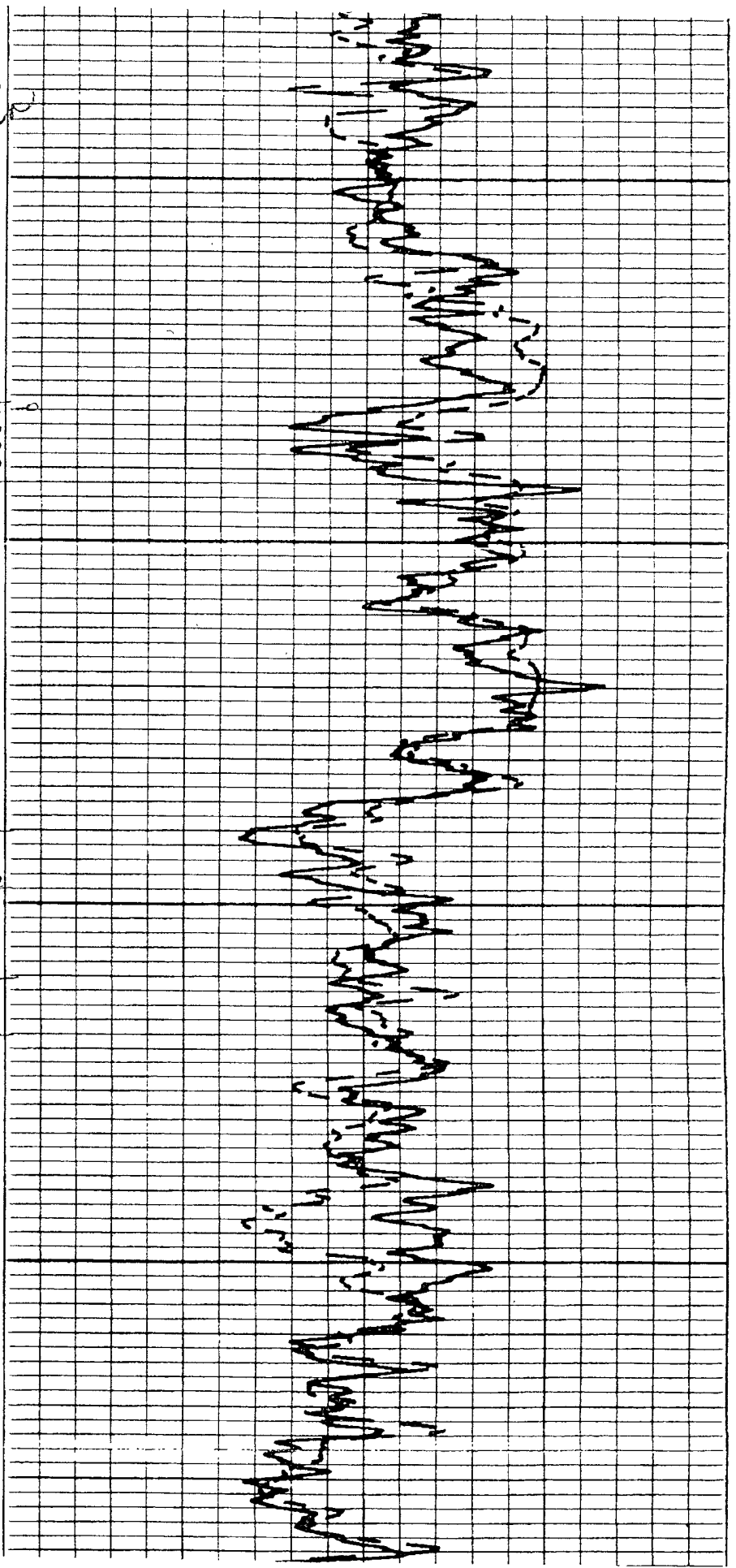
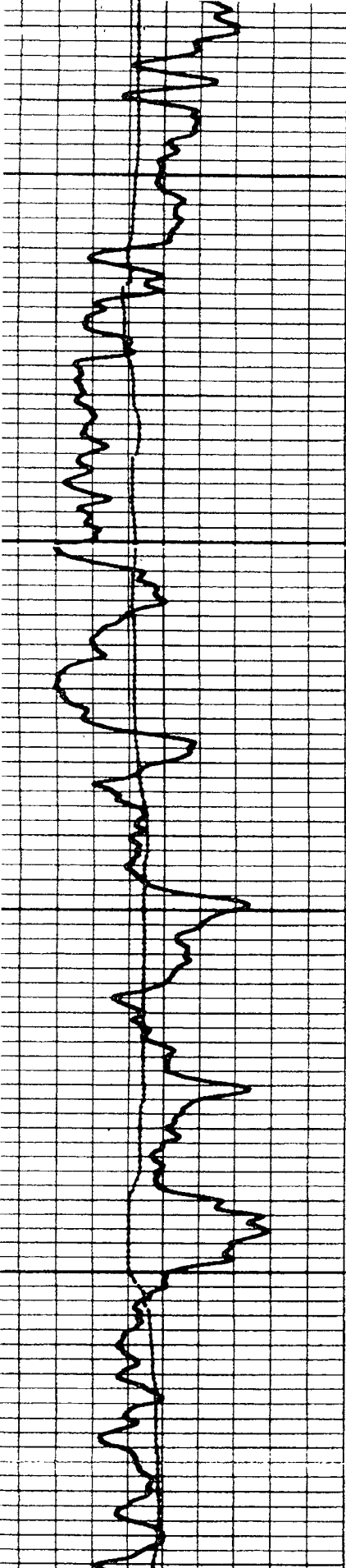
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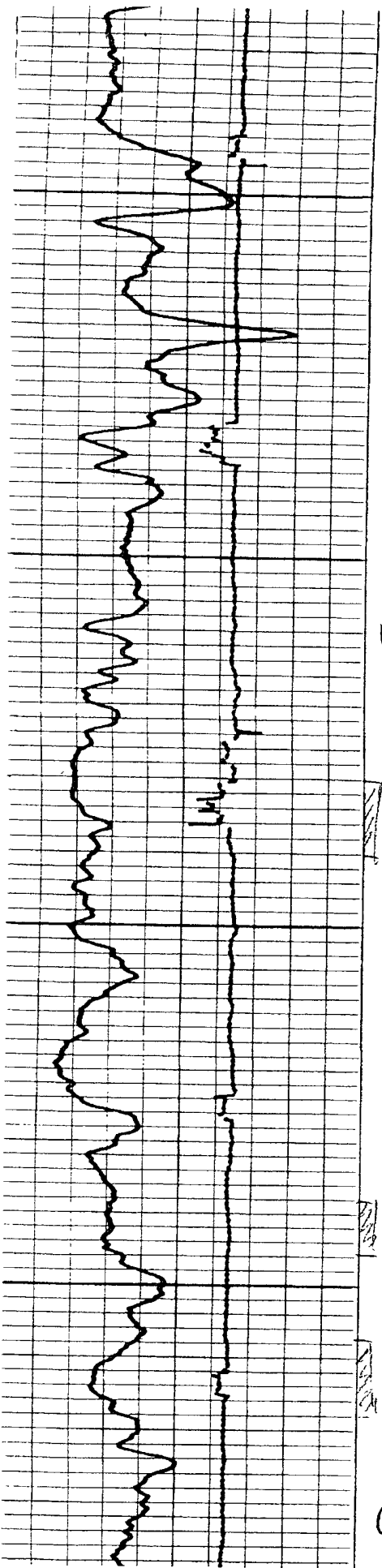
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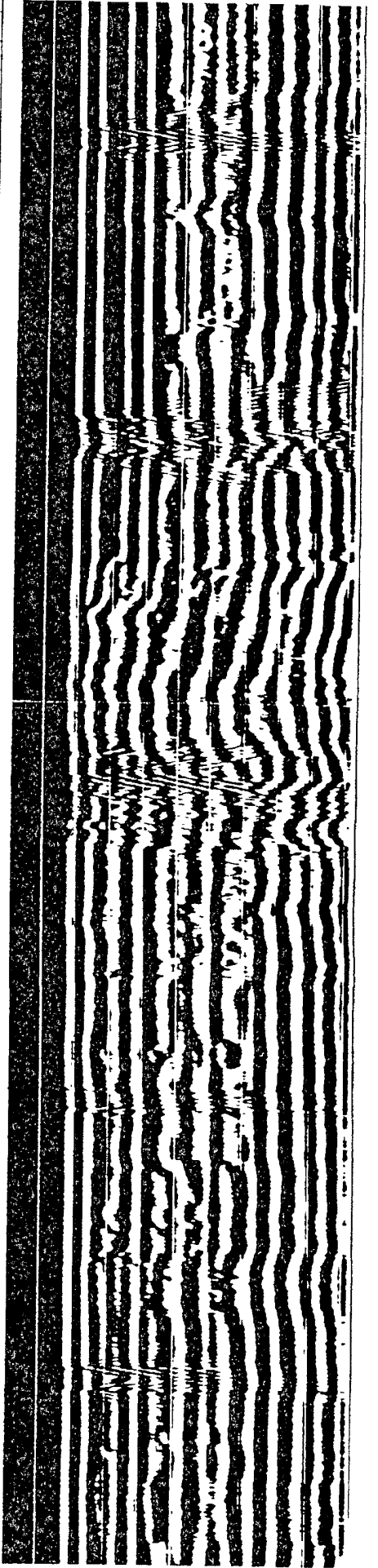
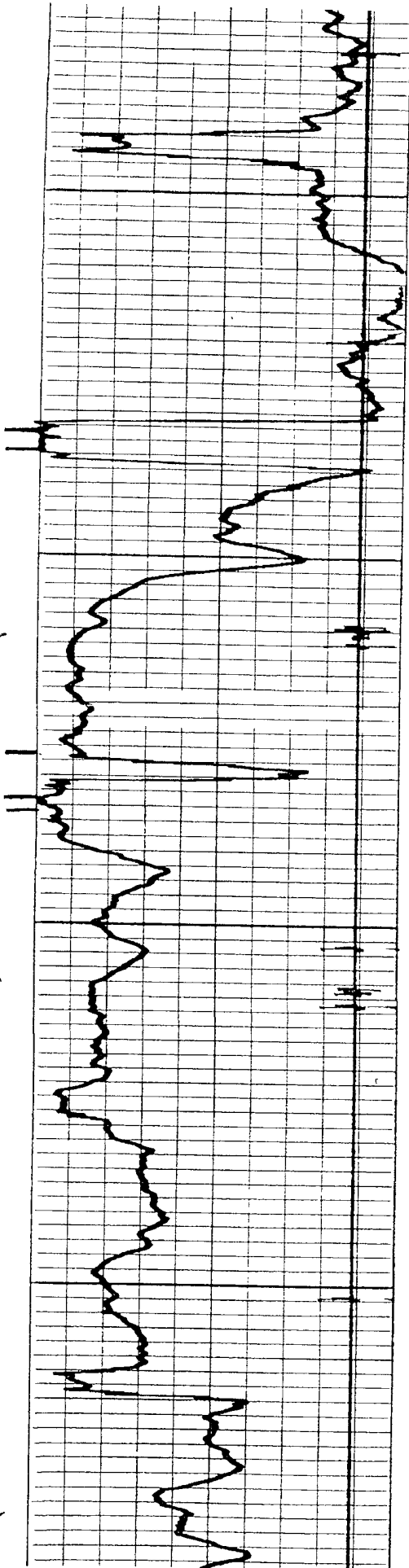




8100
UBC

8200

CBL



KAISER-FRANCIS OIL COMPANY
P. O. BOX 21468
TULSA, OKLAHOMA 74121-1468
AUTHORITY FOR EXPENDITURE

LEASE & WELL NO Bell Lake #18 LEASE ID NO _____ DATE _____
LOCATION 36-23S-33E
FIELD _____ COUNTY Lea STATE New Mexico
ESTIMATED DEPTH _____ OBJECTIVE ZONE _____ EST DAYS _____
OBJECTIVE Test Cherry Canyon (7590'-7640')

TANGIBLE EQUIPMENT

	QUANTITY	SIZE	EXPENDITURE COST	
			DRY HOLE	PRODUCER
700 CONDUCTOR				
701 SURFACE CASING				
702 INTERMEDIATE CSG				
703 LINER				
706 PRODUCTION CSG				
710 TUBING				
720 WELLHEAD EQUIPMENT				
724 PACKERS & DOWNHOLE EQUIPMENT				
765 TANK BATTERY				
768 PUMPING EQUIPMENT				
774 TRANSPORTATION & FREIGHT				
778 NON-CONTROLLABLE EQUIPMENT				
TOTAL TANGIBLES			\$0	\$0

INTANGIBLES

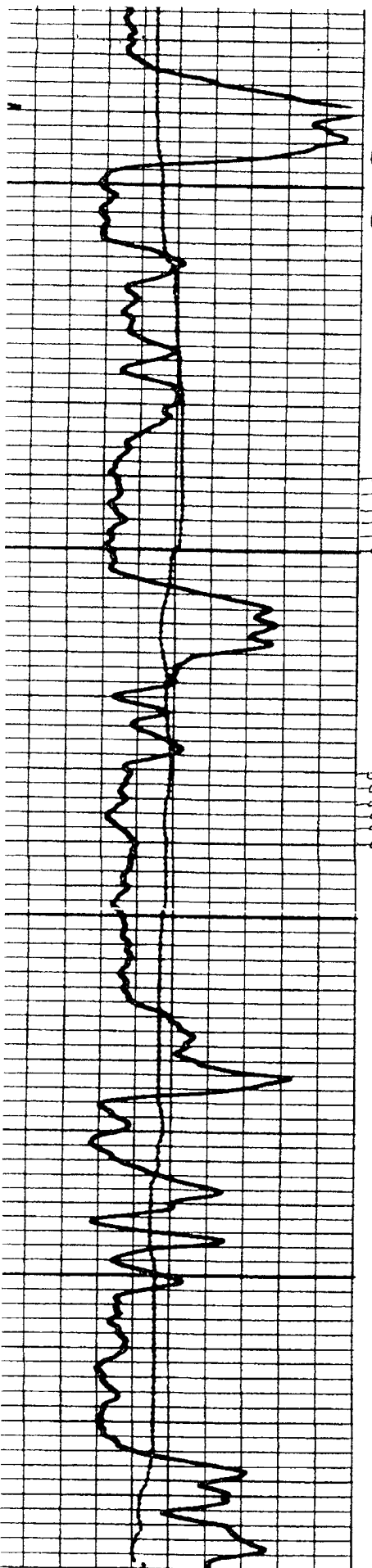
500/600 LOCATION & ROAD EXPENSE				
502/602 LOCATION DAMAGES				
504/604 RIG COST				
##### FOOTAGE FT @ \$ /FT				
##### DAYWORK DAYS @ \$ /DAY				
##### COMPLETION RIG				\$65,000
506/606 RIG MOVE				
508 BITS & REAMERS				\$5,000
510/610 FUEL & POWER				
512 WATER				\$7,000
514 MUD & CHEMICALS				
516/616 TOOL & EQUIPMENT RENTAL				\$20,000
518/618 TRANSPORTATION & LOADING				
520 DST - CORING & ANALYSIS				
522/622 LOGGING & PERFORATING/WIRELINE				\$20,000
524/624 CEMENTING & SQUEEZING				\$20,000
528/628 PLUGGING & ABANDONMENT				
630 STIMULATION				\$65,000
532/632 GEOLOGICAL & ENGINEERING				
536/636 MISCELLANEOUS LABOR				\$20,000
542/642 COMBINED FIXED RATE				\$5,000
544/644 MISCELLANEOUS				
TOTAL INTANGIBLES			\$0	\$227,000
TOTAL DRY HOLE			\$0	
TOTAL COMPLETED				\$227,000

APPROVED _____

DATE _____

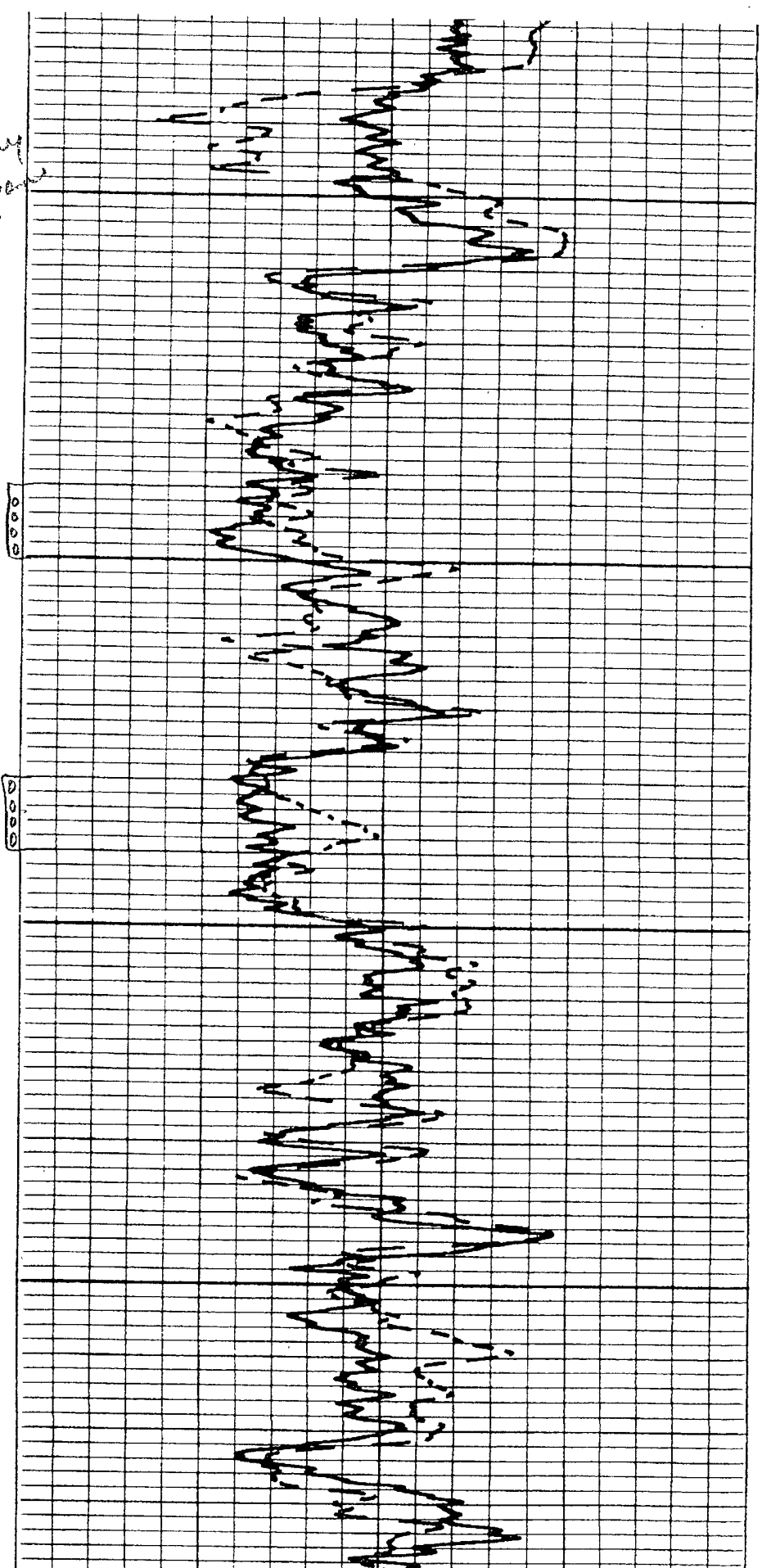
THIS AFE IS AN ESTIMATE ONLY AND NON-OPERATOR, BY EXECUTION OF SAME COMMITS TO PAY ITS PROPORTIONATE SHARE OF ACTUAL COSTS

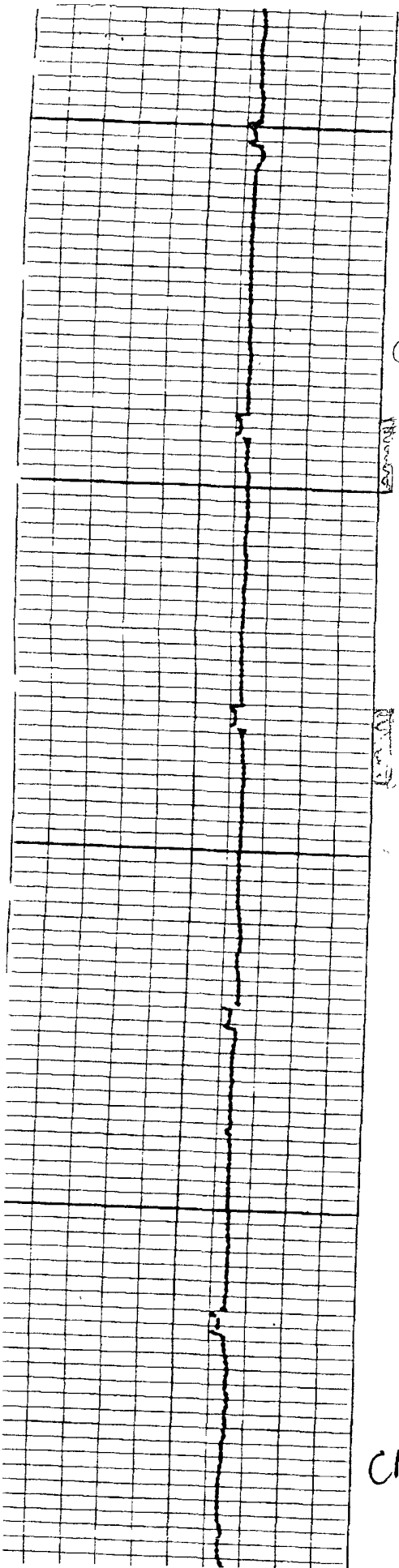
Cherry
Canyon



1600

1700



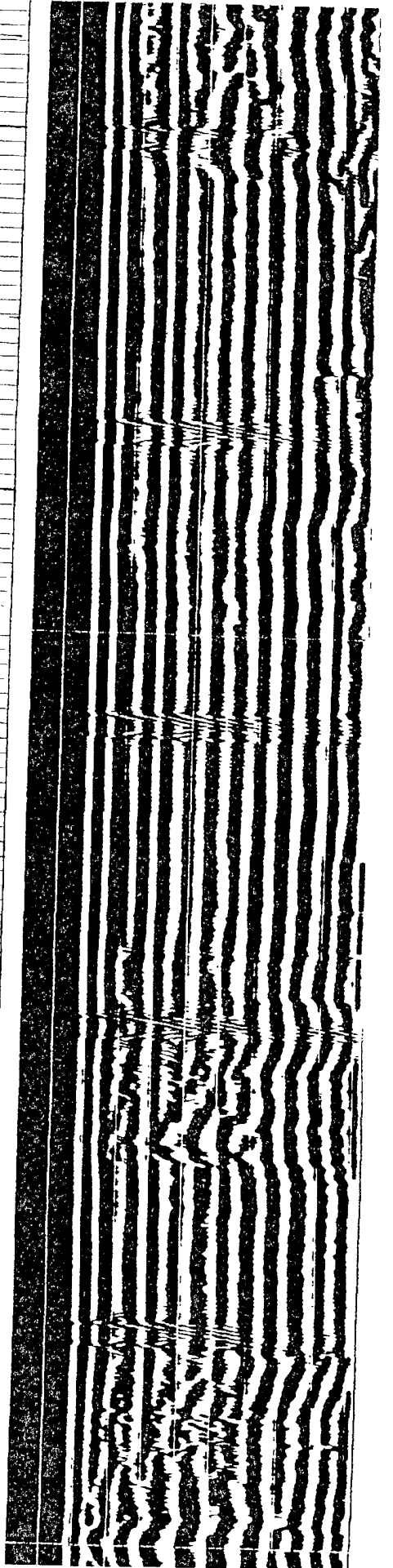
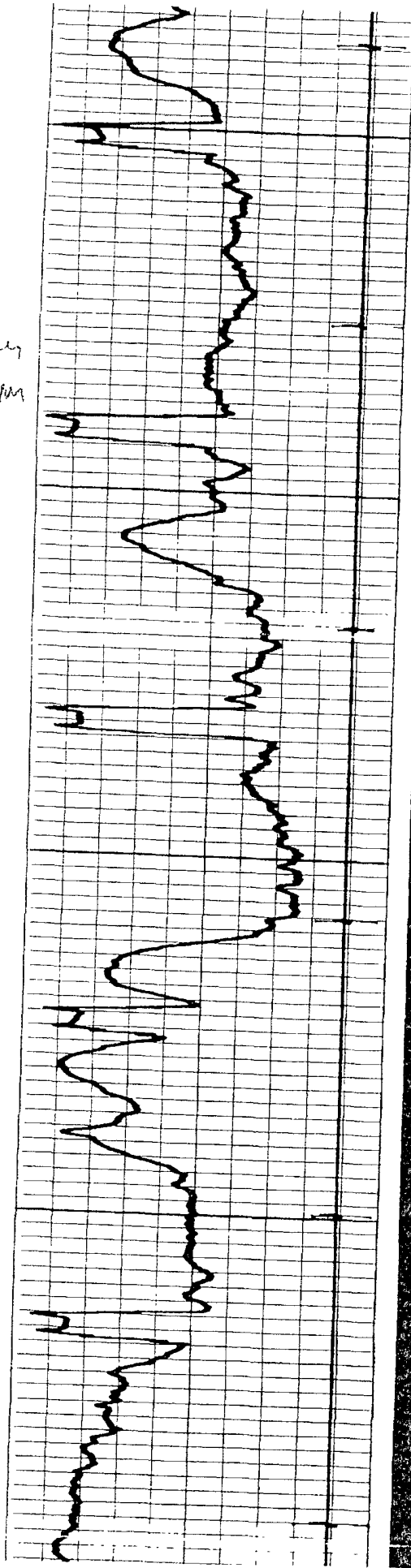


CHERRY
CANTON

7600

7700

CBL



KAISER-FRANCIS OIL COMPANY
P O BOX 21468
TULSA, OKLAHOMA 74121-1468
AUTHORITY FOR EXPENDITURE

LEASE & WELL NO Bell Lake #18 LEASE ID NO _____ DATE _____
LOCATION 36-23S-33E
FIELD _____ COUNTY Lea STATE New Mexico
ESTIMATED DEPTH _____ OBJECTIVE ZONE _____ EST DAYS _____
OBJECTIVE Install Pumping Equipment

TANGIBLE EQUIPMENT

	QUANTITY	SIZE	EXPENDITURE COST	
			DRY HOLE	PRODUCER
700	CONDUCTOR			
701	SURFACE CASING			
702	INTERMEDIATE CSG			
703	LINER			
706	PRODUCTION CSG			
710	TUBING	2 7/8"		
720	WELLHEAD EQUIPMENT			\$70,000
724	PACKERS & DOWNHOLE EQUIPMENT			\$10,000
765	TANK BATTERY			\$30,000
768	PUMPING EQUIPMENT			\$65,000
774	TRANSPORTATION & FREIGHT			\$60,000
778	NON-CONTROLLABLE EQUIPMENT			\$6,000
				\$10,000
TOTAL TANGIBLES			\$0	\$251,000

INTANGIBLES

500/600	LOCATION & ROAD EXPENSE			
502/602	LOCATION DAMAGES			
504/604	RIG COST			
#####	FOOTAGE	FT @ \$	/FT	
#####	DAYWORK	DAYS @ \$	/DAY	
#####	COMPLETION RIG			\$15,000
506/606	RIG MOVE			
508	BITS & REAMERS			
510/610	FUEL & POWER			
512	WATER			
514	MUD & CHEMICALS			
516/616	TOOL & EQUIPMENT RENTAL			
518/618	TRANSPORTATION & LOADING			
520	DST - CORING & ANALYSIS			
522/622	LOGGING & PERFORATING/WIRELINE			
524/624	CEMENTING & SQUEEZING			
528/628	PLUGGING & ABANDONMENT			
630	STIMULATION			
532/632	GEOLOGICAL & ENGINEERING			
536/636	MISCELLANEOUS LABOR			\$15,000
542/642	COMBINED FIXED RATE			
544/644	MISCELLANEOUS			
TOTAL INTANGIBLES			\$0	\$30,000
TOTAL DRY HOLE			\$0	
TOTAL COMPLETED				\$281,000

APPROVED _____

DATE _____

THIS AFE IS AN ESTIMATE ONLY AND NON-OPERATOR, BY EXECUTION OF
SAME COMMITS TO PAY ITS PROPORTIONATE SHARE OF ACTUAL COSTS

**Bell Lake Unit #18
30-025-25302
Kaiser-Francis Oil Company
July 1, 2009**

The Bell Lake Unit #18 well is on State surface and within a State lease. It is also within the Bell Lake Unit. The jurisdiction for extending the TA status for this well is with NMOCD. The BLM will stamp this sundry – “Accepted for Record”, which recognizes that we have received the item, but does not grant approval.

Notification of all operations on wells within a unit are to be filed as was done in this case, but the approval will be done according to the surface management agency and/or mineral holder.

WWI 070109