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New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

Form 3160-5
(April 2004)

MAR 26 2010

HOBBSDEN

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

| | | |
|--|---|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> <input type="checkbox"/> Other | | 5. Lease Serial No. NM-69175 |
| 2. Name of Operator Primero Operating Inc. | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address PO Box 1433 Roswell, NM 88202 | 3b. Phone No. (include area code) 575-622-1001 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1442' FNL & 2174' FWL, Sec. 34, T10S, R30E | | 8. Well Name and No. Apache Springs Fed. 1 |
| | | 9. API Well No. 30-005-21152 |
| | | 10. Field and Pool, or Exploratory Area Wildcat Apache Spring Abo, N |
| | | 11. County or Parish, State Chaves, New Mexico |

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 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 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 shall 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 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.)

2/09/2010- MIRU Crain Hot Oiling to test casing integrity. Loaded annulus with 3 Bbls of 2% KCL and tested to 500 psi. for 30 min. Casing held. RDMO Craine Hot Oiling

Pressure chart with signatures are attached

TA APPROVED FOR 12 MONTH PERIOD
ENDING FEB 09 2011

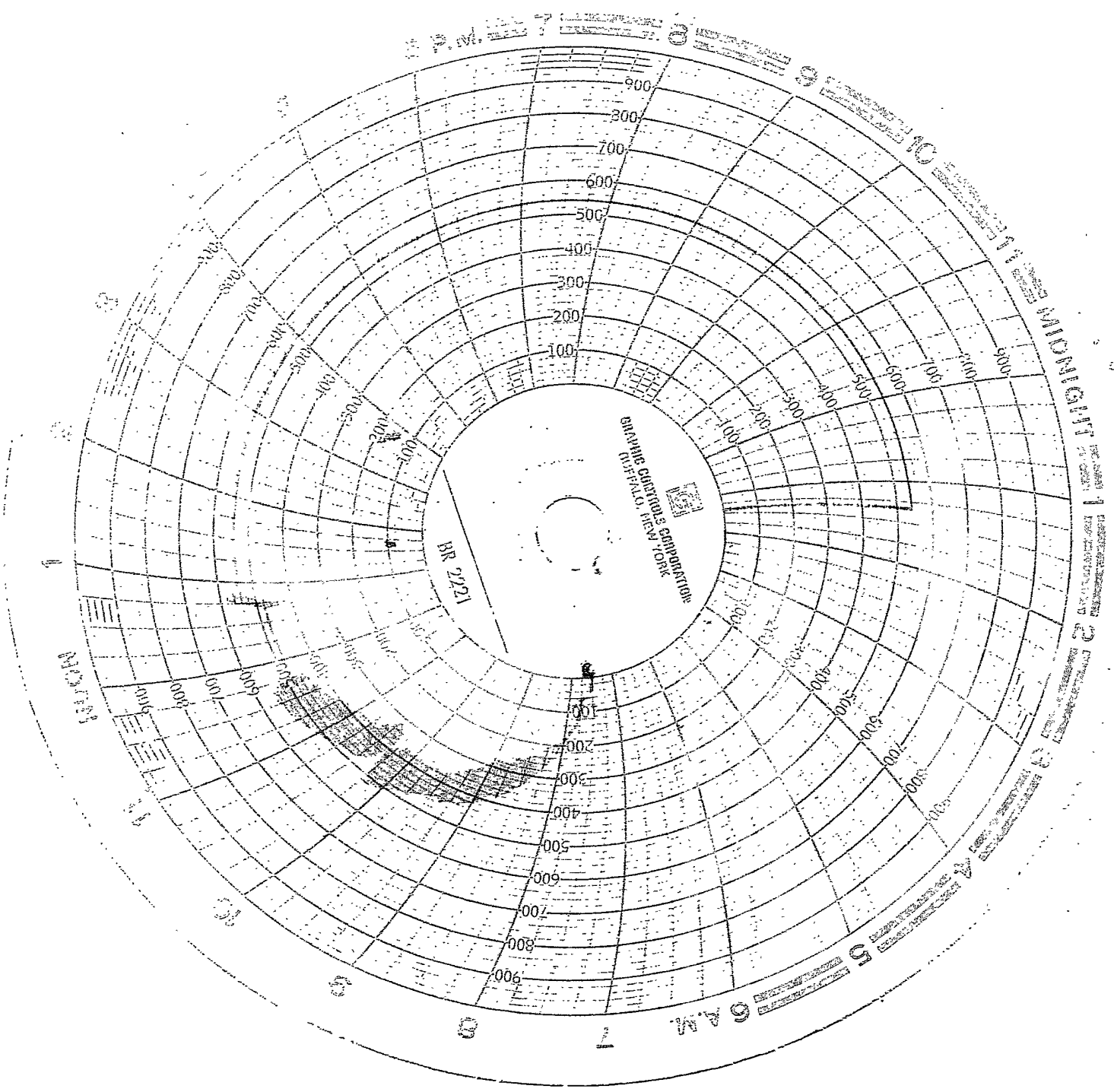
| | | |
|---|--------------------|---|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Craig D. Hanagan | | Title Drilling and Production Supervisor |
| Signature <i>Craig D. Hanagan</i> | Date 02/10/2010 | |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------|--------------------------------|
| Approved by /S/ DAVID R. GLASS ELG 3/29/10 | PETROLEUM ENGINEER | Date MAR 11 2010 |
| 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 ROSWELL FIELD 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)



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Apache Springs
Federal # 1 2/19/2010

Crain Hot Oil

Jose Alvarado

Primero Operating

Craig Hanagan