

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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  
LC0577986 If Indian, Allottee or Tribe Name  
N/A**SUBMIT IN TRIPLICATE – Other instructions on page 2.**7 If Unit of CA/Agreement, Name and/or No.  
N/A

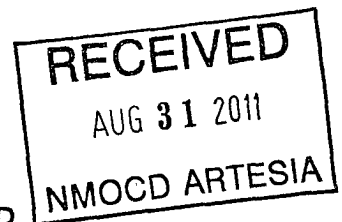
1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8 Well Name and No  
Magruder 172. Name of Operator  
Tarco Energy, L.C.9 API Well No  
30015377423a Address  
12403 CR 2300  
Lubbock, TX 794233b Phone No (include area code)  
806-795-204210 Field and Pool or Exploratory Area  
Yates-Seven Rivers4 Location of Well (Footage, Sec., T., R., M., or Survey Description)  
T17S-R27E Section 35, #1 1653 FSL, 990 FEL11 Country or Parish, State  
Eddy 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 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 checked="" 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 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.)

Request to use "A-B" Class Cement in place of Class "C" to circulate cement to surface on the 8 5/8" and 4 1/2" casing.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Accepted for record - NMOC D

DSD 9-1-11

Roswell Controlled Water Basin

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

Joe L. Tarver - for Tarco Energy, L.C.

Title President

Signature

Date 07/26/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

**PETROLEUM ENGINEER**

Title

Date AUG 29 2011

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 **BLM-CARLSBAD 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)

**Magruder 17  
Tarco Energy  
30-015-37742  
Aug 29, 2011  
Conditions of Approval**

**Requests:**

1. Mr Tarver is requesting approval to use Class A-B cement instead of Class C cement as approved in the original APD.
2. The Class A-B cement would be used in cementing the following casings:
  - 8-5/8" casing from 380' – surface
  - 4-1/2" casing from 540' – surface

**Conditions of Approval:**

- a) It is recommended to allow at least 48 hours minimum curing time for the cement after the cement is in place. Based on a linear analysis of the pilot test data for the Class C cement, this would allow for a compressive strength rating of approximately 1300 psi to be achieved. A longer cure time of 7 days should achieve approximately 4700 psi compressive strength, based on the pilot test data.
- b) In the event that an Annuli Survey is subsequently done, the measured pressures (if any) and the observed effluents (if any) of each annulus, should be reported to the BLM, with the amounts of any H<sub>2</sub>S or CO<sub>2</sub> also reported.
- c) Subsequent sundries are to be filed with drilling details about spud, casing and completion work.
- d) Completion report is to be sent within 30 days of completion.

TMM 08/29/2011