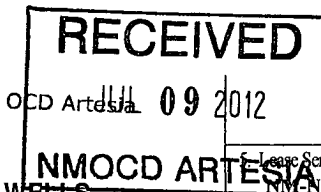


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0135
Expires: January 31, 2004

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 ☐ Other2. Name of Operator **AMERICO ENERGY RESOURCES, LLC**3a. Address
7575 SAN FELIPE ST. STE 200 Houston, TX 770633b. Phone No. (include area code)
713-984-97004. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2300' FSL & 2300 FWL Sec. K-35-18S-31E6. If Indian, Allottee or Tribe Name
N/A7. If Unit or CA/Agreement, Name and/or No.
14-08-001-11572 / NM 70943X8. Well Name and No.
East Shugart Unit #789. API Well No.
30-015-2827810. Field and Pool, or Exploratory Area
Shugart (Y-SR-Q-G-)11. County or Parish, State
Eddy, 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 checked="" 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 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 shall 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 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.)

1) MIRUWOR, N/U BOP RIH W/ FISH TOOLS & 2 7/8" TBING ATTEMPT TO FISH RODS & TBING, IF RODS AND TBING IS REMOVED -, RIH W/ 5 1/2" RBP & PKR, 2 7/8" TBING, SET RBP @ 3400' (60' ABOVE PERF'S @ 3460') PULL UP SET PKR, TEST RBP 600 PSI, IF HOLDING, TEST BACKSIDE TO 600 PSI-IF LEAKING, SPOT 2SKS SAND ON RBP, START MOVE PKR UP HOLE TO ISOLATE HOLE IN CSG (SHOULD BE 15' BELOW WELLHEADS)

2) ONCE HOLE IS ISOLATED CALL IN TO OFFICE W/ RESULTS

3) IF HOLE IS 1000' OR BELOW N/D BOP, N/U FLANGE BACK CIRC UP 8 5/8" SET INJECTION RATE, PUMP CMT DOWN 5 1/2" AND UP 8 5/8" CSG WHEN GOOD CMT IS SEEN IN PIT START FLUSH SPOT TOP OF CMT 100' ABOVE HOLE IN 5 1/2" SHUT VAVLE ON 8 5/8" AND PRESSURE 5 1/2" TO 800 PSI S/I 5 1/2" CSG WOC

4) CHECK PRESSURE ON 5 1/2" AND 8 5/8" CSG, RIH W/ 4 1/4" BIT, BIT SUB, COLLARS TAG AND DRILL OUT CMT, TEST SQUEEZE TO 600 PSI, IF HOLDING

5) IF HOLE IS AT SURFACE DIG UP WELLHEADS TO GOOD CSG, CUT OFF CSG'S, INSTALL NEW CSG'S AND INSTALL NEW WELLHEADS.

6) RIH & TAG SAND ON RBP @ 3400' CIRC BOTTOMS UP TO CIRC SAND OFF (DO NOT ROTATE BIT) CIRC CLEAN.

7) POH W/ 2 7/8" TBING, L/D D.C.'S, BIT SUB, BIT, RIH W/ ON/OFF TOOL, 2 7/8" TBING TAG RBP CIRC REST OF SAND OFF RBP, LATCH ONTO & UNSET RBP, TOH L/D RBP.

8) RETURN WELL TO PRODUCTION

WITNESS*approval w/ attached COA
06/29/2012 PRD*14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**Ehsan Bayat**

Title Regulatory Analyst

Signature

Date

05/30/2012**Accepted for record
NMOC D****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

/s/ JD Whitlock Jr

Title

LPEY

Date

7/4/12

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

CFO

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)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Conditions of Approval

Americo Energy Resources, LLC

East Sugart Unit - 078

API 3001528278

July 3, 2012

1. **Step 5) of Notice of Intent: Casing replacement or repair (excluding cement squeeze work) requires prior BLM approval and inspection.**
2. Surface disturbance beyond the existing pad must have prior approval.
3. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
4. H₂S monitoring equipment to be used on location and functional.
5. A 2000 (2M) BOPE to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 (attachment 1, 2M diagrams of choke manifold equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
6. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
7. After casing repairs, document a minimum 500psig pressure test from surface to within 100 feet of the top perforation. Use a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically.
8. Make arrangements 24 hours before the pressure test for BLM to witness. Phone 575-361-2822, if there is no response email Paul R. Swartz pswartz@blm.gov or phone 575-200-7902. Note the contact, time, & date in your subsequent report.
9. Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test. Include the date(s) of the well work, and the setting depths of equipment. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
10. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.