

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL CONSERVATION DIVISION

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

811 S. FIRST STREET
ARTESIA, NM 87710

5. Lease Serial No.
NMNM 91498
6. If Indian, Allottee or Tribe Name

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 page 2.

| | | |
|--|---|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 7. If Unit of CA/Agreement, Name and/or No. |
| 2. Name of Operator Scythian, Ltd., a Texas Limited Partnership | | 8. Well Name and No. Cactus Federal #004 |
| 3a. Address 300 N. Marienfeld, Suite 950 Midland, Texas 79701 | 3b. Phone No. (include area code) 432-685-3602 | 9. API Well No. 30-005-63309 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) I-34-06S-22E | | 10. Field and Pool or Exploratory Area Pecos Slope; Abo (Gas) |
| | | 11. Country or Parish, State Chaves 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 checked="" type="checkbox"/> Other <u>Shut-In</u> |
| | <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 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 must 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 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.)

Due to an unacceptable level of Nitrogen found in the gas from this specific well, it has been necessary to temporarily Shut-In this well. It is our understanding that Transwestern has dictated the "acceptable level" of nitrogen in the gas they accept from Agave Energy Company (Purchaser).

It should be noted that nitrogen is inherently found throughout the Pecos Slope Field.

RECEIVED
FEB 11 2013
NMOCD ARTESIA

ACCEPTED FOR 12 MONTH PERIOD
ENDING JAN 31 2014

R. DeLoe 2/14/13
ACCEPTED FOR RECORD
NMOCD

| | |
|--|---|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Thomas A. Clifton | Title Agent and Attorney-In-Fact for Scythian, Ltd. |
| Signature <i>Thomas A. Clifton</i> | Date 01/28/2013 |

ACCEPTED FOR RECORD SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------|-----------------------------|
| Approved by /S/ DAVID R. GLASS FEB 06 2013 | 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 | ROSWELL FIELD OFFICE |

Title 18 U.S.C. Section 1007 and Title 45 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.