Form 3160-5 (February 2005)

Notice of Intent

Subsequent Report

Final Abandonment Notice

UNITED STATES RTMENT OF THE INTERIOR JREAU OF LAND MANAGEMENT

ICES AND REPORTS ON WELLS

| Month - West | FORM APPROVED OM B No. 1004-0137 Expires: March 31, 200 |
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5. Lease Serial No.

| LC | 0 | 6 | 54 | ١7 | 8 | В |
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Well Integrity

LX Other see remarks.

| Do not de abandoned we | form for proposals to drill or to re-enter an ell. Use Form 3160-3 (APD) for such proposals. | 6. If Indian, Allottee or Tribe Name | | |
|--|--|---|--|--|
| SUBMIT IN TR | PLICATE- Other instructions on reverse side. | 7. If Unit or CA/Agreement, Name and/or No. | | |
| Type of Well X Oil Well Name of Operator | Gas Well Other | 8. Well Name and No. Malco A #2 | | |
| Amtex Energy, Inc 3a Address | 3b. Phone No. (include area code) | 9. API Well No. 30-015-01208 | | |
| P. O. Box 3418, M 4. Location of Well (Footage, Sec., | T., R., M., or Survey Description) | 10. Field and Pool, or Exploratory Area Red Lake Q-GB-SA | | |
| 143.6 FNL, 125/.6 Eddy County, New | FEL, NE/4NE/4 Sec. 3, T18S, R27E, NMPM Mexico | 11. County or Parish, State Eddy, NM | | |
| 12. CHECK AI | PPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, RI | EPORT, OR OTHER DATA | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
| CVI | Acidize Deepen Production (State | nt/Resume) Water Shut-Off | | |

Reclamation

Recomplete

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.)

Fracture Treat

Plug Back

New Construction

Plug and Abandon

Amtex is planning to contract with BCM Plugging Company, Midland, Texas, contact is Ben Montgomery, Ph.#432-580-7161. BCM has a rig in the Carlsbad, New Mexico area and can be available to move-in to work on the Malco A #2 in 2-3 months. Amtex's Procedure is as follows:

1. Truck in and rack 2,200' of 2.375" tubing.

Alter Casing

Casing Repair

Change Plans

Convert to Injection

- 2. Move-in and RU Pulling Unit x tally tubing.
- 3. Pick up a notched collar on the 2.375" Tbg. x RIH.
- 4. RIH to TD or PBTD and notify the NMOCD of hole condition, PBTD and intent.
- 5. If PBTD is at or near original TD of 2,065' and hole conditions are good we will run 4" flush joint casing to TD in order to return the well to production.
- 6. If plug and abandonment (P&A) is the desired action the OCD in Artesia will be contacted for approval and agreement of the P&A procedure.

| 14. Thereby certify that the foregoing is true and correct Name (Printed/Typed) William J. Savage Title | President | Accepted for recol |
|---|------------------|--------------------|
| Signature William J. Savage Date | 5/11/07 | , NMOCD |
| THIS SPACE FOR FEDERAL OR | STATE OFFICE USE | |
| Approved byOSIG_SSG_SSS RARYAL | Title | Date 5/16/07 |
| 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 | . , |

representations as to any matter within its jurisdiction

(Instructions on TACHED FOR