

OCD-ARTESIA

Form 3160-3
(February 2005)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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

☒ Oil Well ☐ Gas Well ☐ Other

2 Name of Operator

Fairway Resources Operating, LLC

3a Address

538 Silicon Drive, Suite 101 Southlake, TX 76092

3b Phone No (include area code)

817-416-1946

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

1500' FNL and 2290' FEL
Sec.35, T-17-S, R-27-E

SEP 04 2007

OCD-ARTESIA

5 Lease Serial No

LC-055561

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No

8 Well Name and No

Midnight Matador "A" #3

9 API Well No

30-015-35697

10 Field and Pool, or Exploratory Area

Red Lake Queen/Grayburg/San Andres

11 County or Parish, State

Eddy County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other surface commingling

- 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 recompletable 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 recompletable 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.)

Permission from the BLM to commingle oil and gas production from leases LC-050458 (the Midnight Matador lease) and LC-055561 (the Midnight Matador "A" lease) was granted to McQuadrangle LLC, the previous operator, on May 19, 2006. Fairway Resources Operating, LLC, the current operator of the leases, requests permission to include the Midnight Matador "A" #3 in the commingling approval. Oil and gas production from both leases will be metered at the central tank battery before commingling. Fairway Resources owns all of the working interest in both leases. The attached map shows the two subject leases, the Midnight Matador central tank battery, and affected wells on the leases.

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

Kenneth Pearce

Title Engineer

Signature

Kenneth Pearce

Date

August 23, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date

AUG 29 2007

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

Title 18 USC Section 1001 and Title 43 USC 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)



Midnight Matador

9

Midnight Matador Lease
LC-050258

Midnight Matador

A-5

Midnight Matador A Lease
LC-055561

Midnight Matador Lease
LC-050258

Midnight Matador

3

Midnight Matador

6

Midnight Matador

A-3

Midnight Matador

7

Midnight Matador

2

Midnight Matador A

A-1

Midnight Matador Central Tank Battery

Midnight Matador

5

Midnight Matador

A-2

Midnight Matador

1

Section 35, T-17-S, R-27-E
Eddy County, NM



Midnight Matador A #3

Red Lake Field

Eddy Co., NM

0 709
FEET

WELL SYMBOLS
● Oil Well
○ Location Only

By KWP

August 23, 2007