

OPERATOR'S COPY

Form 3160-5
(August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM 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
NM NM 103598

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit of C/A/Agreement Name and/or No
N/A

8. Well Name and No
CARBON VALLEY 25 FED COM #4H

9. API Well No
30-015-37250

10. Field and Pool or Exploratory Area
DOG CANYON; WOLFCAMP

11. Country or Parish, State
EDDY CO., NM

12. CHECK THE APPROPRIATE BOXES 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: Run 7" Casing
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Run 4 5" Casing & Completion
	<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 Road 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 3160-5 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.)

Intermediate casing was run on 9/15/09 as follows

1	Bull Noso Shoo	1'
1 Jt	2-7/8" 6 5# L-80	31'
23 Jts	2-7/8" 1 27# SP8-2K	672'
1	AI XO 2-7/8" x 7" LTC	1'
1	7" Coupling HCP-110 LTC	1'
1	Float Collar	1'
1 Jt	7" 26# HCP-110 LTC	40'
1	Float Collar	1'
132 Jts	7" 26# HCP-110 LTC	5662'
	Total	6410'

Set 7" casing at 5700' MD Cement - Lead w/920 SXS Econocem-HCL w/3% salt + 5 lb/sx Gilsontite - 12.9 ppg, 1.84 yield, WR = 9.41 Tail w/700 SXS HalCem-H + 0.8% CFR-3 - 17 ppg, 1.0 yield, WR = 3.9 Plug down. Circ 154 SXS to pit Nipple up BOP Test BOP & Choke to 250 psi low and 5000 psi high. Held OK Drill cmt 5500'-5638' Test csg to 1500 psi - OK WOC 32 hrs Resume drilling formation w/6-1/8" bit Reached TD of 10780' MD / 6315' TVD on 10/3/09

CONTINUED ON NEXT PAGE

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

A. Arnold Naff

Title Vice President Operations

Signature

Date 07/02/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

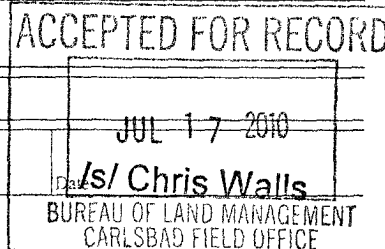
Title

Office

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.

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)



CARBON VALLEY 25 FED COM #4H
30-015-37250

Production casing was run on 10/5/09 as follows:

117 Jts. 4.5" 11.6# HCP-110 BTC 5076'

Set 4.5" casing at 10608' MD. Peak open hole completion liner system from 5532' to 10608'.
No cement required. Rig released on 10/6/09.

11/13/09 Completed the Wolfcamp 6553' – 10780'; 10 stage open hole system. Frac
w/1,073,140# 30/50 Premium White sand plus 810 bbls 20% HCL acid plus 35,709 bbls
SilverStim LT-R(21) gel.