

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

SUBMIT IN TRIPLICATE - Other instructions on page 2
JUN 16 2011

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Energex Resources Corporation

3a. Address

2010 Afton Place Farmington, NM 87401

3b. Phone No. (include area code)

(505) 325-6800

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

At Surface: 2240' FNL, 620' FEL
Sec. 30, T32N, R04W

5. Lease Serial No.

NMNM 30015

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Carracas 30 B # 8

9. API Well No.

30-039-24442

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

Rio Arriba NM

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

TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Casing Repair☐ New Construction☐ Recomplete☐ Other☐ Change Plans☐ Plug and Abandon☒ Temporarily Abandon☐ Convert to Injection☐ Plug Back☐ 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 recomple 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 recomple 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 final site is ready for final inspection.)

Energex requests that the above well be allowed as a Temporary Abandon to hold the wellbore for 80 acre downspacing in the Fruitland Coal. The well will be TA as follows:

1. A 7" casing plug will be set @ +/- 3693' (50' above top of sidetrack window @ 3743').
2. The well will be loaded with an inhibited packer fluid and the casing will be tested to 500 psig for 30 minutes with no more than 10% pressure loss.
3. A 2 3/8" kill sting will be left in the well and a master valve will be left on the tubing head. All casing sideoutlet valves will be left in place with bull plugs and the well will be totally disconnected from any lines.
4. Energex will annually update the status of the 80 acre infill and will submit a subsequent report requesting a continued status of TA. If a change of status is needed to producing (i.e. 80 acre infill approved) or to plug and abandon the well, Energex will submit a NOI.
5. The casing pressure test is good for 5 years, at which point if the well is still not activated another casing MIT will have to be performed on the well. TA approved until 6/15/12

BLM-NMOCD will be notified 24 hours in advance of pressure testing the casing.
(see attached well data sheet)

RCVD JUN 17 '11
OIL CONS. DIV.
DIST. 314. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Justin Anchors

Title District Engineer

Signature

Justin Anchors

Date 6/15/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JUN 17 2011

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

Subject

Carracas 30 B # 8 TA

12 1/4" Surface Hole

9 5/8", 36#, K-SS Casing Set @ 314'

8 3/4" Production Hole

5 1/2", 15.5#, K-SS Casing Set @ 4,148'

Proposed: Set composite bridge plug @ 3,693'

Load hole w/ 2% KCL w/ Anhib II

Land 2 7/8, 4.7#, J-SS TBG @ +/- 3,660'

Window from 3,743' - 3,749'

4 3/4" Sidetrack Hole TD @ 5,890'

3 1/2", 9.3#, J-SS Liner Set From 3,753' - 5,869'

Liner has 4 spf, .5" EHD, 6,148 total holes

FRL Perfs:

3,930' - 3,950'

w/ 4 spf

PBTD: 4,130'

TD: 4,152'

