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Form 3160-5 (August 2007) NOV 02 2012

FORM APPROVED

UNITED STATES OMB No. 1004-0137 DEPARTMENT OF THE INTERIOR Farmington Field Office Expires: July 31, 2010 BUREAU OF LAND MANAGEMENTBureau of Land Managa Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. I. Type of Well 8. Well Name and No. Oil Well Other Remediate pit and location Gas Well Nutrias Prospect #1 Name of Operator Heritage Petroleum, Inc. 9, API Well No. 3003931018 10. Field and Pool or Exploratory Area 3a. Address P.O. Box 935, Stillwater, OK 74076 3b. Phone No. (include area code) 1225 N. Perkins Rd, Suite C, Stillwater, OK 74075 405-377-2689 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description). 500 ft from North Line, 335 ft from East Line, Sec 35-27N-2E, Rio Arnba County, NM 11. Country or Parish, State Rio Arriba County, NM 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Water Shut-Off Acidize Deepen Production (Start/Resume) Notice of Intent Well Integrity ▼ Reclamation Alter Casing Fracture Treat Recomplete Casing Repair New Construction ✓ Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Plug Back Water Disposal Final Abandonment Notice Convert to Injection 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.) Heritage Petroleum, Inc. took over responsibilities for Blue Dolphin's New Mexico properties recently. Heritage Petroleum, Inc. was not aware that the pit and location on the Nutrias Propect #1 had not been closed and remediated. Heritage Petroleum, Inc. was informed on Oct. 24, 2012 of the situation. We communicated with Craig Willems of the Farmington, NM BLM office, contacted contractors and met on location with the contractors and BLM officials on Oct. 30, 2012 to discuss what needed to be done to remediate the location and obtain bids from the contractors. Heritage Petroleum, Inc. is requesting an extension of the Big Game Winter Closure to Nov. 21, 2012 to close the pit, recontour and reseed the location. File Operator Change Opline W/ NWOCD ROUD NOV 5'12 Blue DOIDHIN is STON the operator OIL CONS. DIV. DIST. 3

Name (Printed/Typed) Mike D. Smith Title President Date 10/31/2012 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Branch Chief Title Environ. 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 Office 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