

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 **U. S. ENERCORP, LTD.**

3a. Address
P. O. BOX 17098, SAN ANTONIO, TX 78217

3b. Phone No. (include area code)
210 829 4888

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 2605' FSL & 2400' FWL 30-24N-1E NMPM

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

5. Lease Serial No.

NMNM-114942

6. If Indian, Allottee or Tribe Name

N/A

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

N/A

8. Well Name and No.

ARROYO ALMAGRE 30 #1

9. API Well No.

30-039-30083

10. Field and Pool, or Exploratory Area

W. PUERTO CHIQUITO MANCOS

11. County or Parish, State

RIO ARriba COUNTY, NM

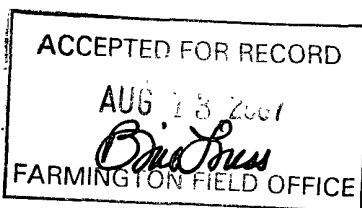
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE-OF ACTION			
<input checked="" 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 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 checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other GAS LINE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompleat 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 recompleat 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 site is ready for final inspection.)

**Will lay 7,748.2' long buried (36" deep) 2-3/8" OD Hybrid (poly & fiberglass) gas pipeline.
Wall thickness = 0.205". Max. operating pressure = 2250 psi. Test pressure = 3375 psi. Burst pressure = 6750 psi.
Route is all on private surface and surface owner consent attached.
Archaeology report WAS 7067 filed 7-30-07.**

cc: BLM, Sowell



**RCVD AUG 16 '07
OIL CONS. DIV.**

DIST. 3

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

BRIAN WOOD

(PHONE 505 466-8120)

Title **CONSULTANT**

(FAX 505 466-9682)

Signature

Brian Wood

Date

08/10/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Date

Office

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)

NMOCD

Fd. Bc.
U.S.G.L.O
1915

Fd. Bc.
U.S.G.L.O.
1915

$$\frac{R-1-W}{R-1-E}$$

LOT 3

LOT 4

LOT 1

DETAIL

0+00 = METER OUT ON

ALMAGRE ARROYO 30#1

C/L 2" BALL VALVE
S 3°29'56" W

P.L. 0+30.8 Δ 45°41'22"

S 49°11'19" W

P.I. 11+00.0 Δ 21°48'05"
S 27°27'14" W

P.L. 12+07.7 x 21'48'05"

TIE RT. 40' ARCH. SIT

S 49°11'19" W

TUE RT AD ARCH SIT

S 70°59'24" W

EQUATION:

14+00.0	AH	Δ 21°48'05"
14+15.4	PK	

S 49°11'19" W

S 49°11'19" W

P.I. 27+44.6 Δ 29°18'37" LT.

S 19°52'41" W
29+14.5 C/L WASH (20'd v

32+19.6 C/L WASH (15'D X

Pl. 34+86.5 Δ 36°35'53" RT.

S 56°28'34" W

S 56°28'34" W

-35+14.0 C/L FENCE LIN
-35+14.0 SECTION LINE

-35+18.2 SECTION LINE
P.I. 35+46.6 Δ 32°58'48"

S 89°27'22" W

-35+47.2 SECTION LINE/R

S 89°27'22" W

NOTES:

1. BASIS OF BEARING: MONUMENTED WEST LINE OF THE SW/4 OF SECTION 30, T-24-N, R-01-E, N.M.P.M., RIO ARRIBA COUNTY, NEW MEXICO.
BEARING = N 03°1'13" W
2. ALL BEARING & DISTANCES SHOWN ARE BASED UPON NEW MEXICO COORDINATE SYSTEM, WEST ZONE, NAD 83
(GRID FACTOR = 0.9999666)

OWNER	STATION	FEET/RODS
LOREN & DONNA SCHMITZ	0+00 TO 35+47.20	3562.6/215.92

I, ROBERT L. POUNDS, A LICENSED PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO, DO HEREBY CERTIFY THAT THE SURVEY REPRESENTED BY THIS PLAT WAS MADE UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT ACCURATELY REPRESENTS THIS SURVEY TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ROBERT L. POUNDS L.P.S. #6846

U.S. ENERCORP, LTD.
SAN ANTONIO, TEXAS

SURVEYED: 7/19/07

REV. DATE:

APP. BY R L P.

DRAWN BY: H.S.

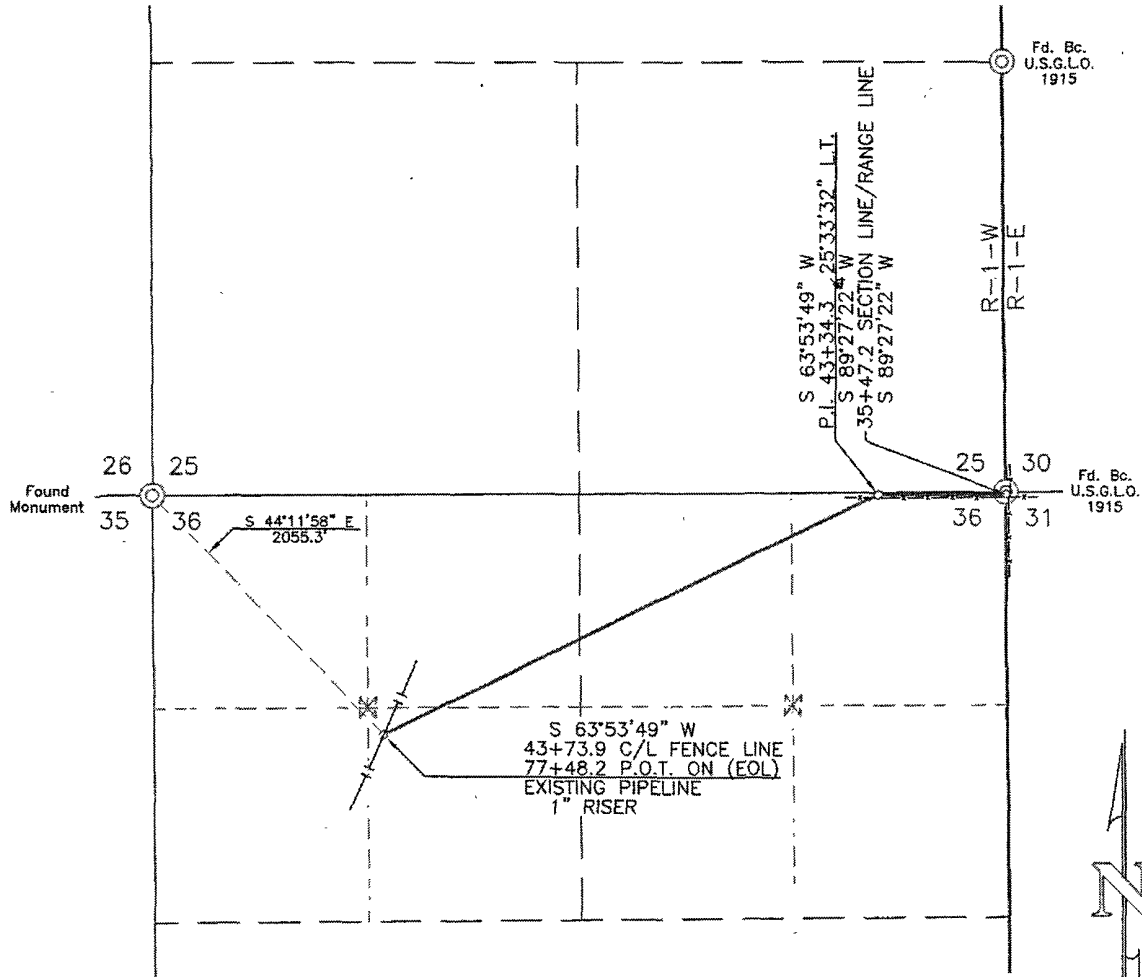
DATE DRAWN: 7/25/07

FILE NAME: 6526PD1_1

UNITED
FIELD SERVICES INC.

P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505)334-0408

U.S. ENERCORP, LTD.
ALMAGRE ARROYO 30#1
 N/2 SEC. 36, T-24-N, R-1-W, N.M.P.M.,
 RIO ARRIBA COUNTY, NEW MEXICO



NOTES:

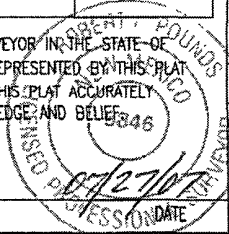
1. BASIS OF BEARING: MONUMENTED WEST LINE OF THE SW/4 OF SECTION 30, T-24-N, R-01-E, N.M.P.M., RIO ARRIBA COUNTY, NEW MEXICO.
BEARING = N 0°31'13" W
2. ALL BEARING & DISTANCES SHOWN ARE BASED UPON NEW MEXICO COORDINATE SYSTEM, WEST ZONE, NAD 83
(GRID FACTOR = 0.999666)

0 500 1000
 SCALE: 1"=1000'

OWNER	STATION	FEET/RODS
LOREN & DONNA SCHMITZ	35+47.2 TO 77+48.2	4201.0/254.61

I, ROBERT L. POUNDS, A LICENSED PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO, DO HEREBY CERTIFY THAT THE SURVEY REPRESENTED BY THIS PLAT WAS MADE UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT ACCURATELY REPRESENTS THIS SURVEY TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Pounds
 ROBERT L. POUNDS L.P.S. #6846



U.S. ENERCORP, LTD.
 SAN ANTONIO, TEXAS

SURVEYED: 7/19/07	REV. DATE:	APP. BY R.L.P.
DRAWN BY: H.S.	DATE DRAWN: 7/25/07	FILE NAME: 6626P01_2

UNITED
 FIELD SERVICES INC.

P.O. BOX 3651
 FARMINGTON, NM 87499
 OFFICE: (505)334-0408

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Memorandum") is executed this 7th day of August, 2007 by and between Loren M. Schmitz et ux, Donna J. Schmitz, of HC 78, Box 6, Regina, NM 87046 ("Grantor", whether one or more) and U. S. Enercorp Ltd., P. O. Box 17098, San Antonio, TX 78217, ("Grantee"), and evidences that a Right-of-Way & Easement Grant was executed for the property as that term is hereinafter defined.

1. Property. Subject to terms of the Grant, Grantor has granted Grantee a Right-of-Way & Easement Grant over Grantor's Property described in Exhibits A and B, survey plats attached hereto.

2. Notices. All notices, requests, demands, and other communications to the Grantor or Grantee shall be made at the following addresses:

If to Grantee, to: U. S. Enercorp, Ltd.
P. O. Box 17098
San Antonio, TX 78217
Attention: John Sowell

If to Grantor, to: Loren & Donna Schmitz
HC 78, Box 6
Regina, NM 87046
Phone: (505) 289-3458

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first set forth above.

GRANTOR:

GRANTOR:

Loren M. Schmitz
Loren M. Schmitz

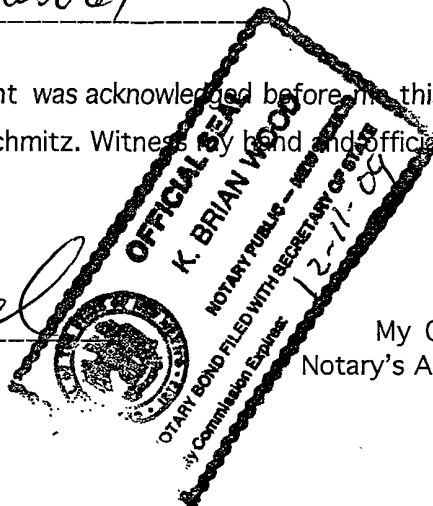
Donna J. Schmitz
Donna J. Schmitz

STATE OF NEW MEXICO)

COUNTY OF Sandoval) SS:

The foregoing instrument was acknowledged before me this 7th day of August, 2007 by Loren M. Schmitz and Donna J. Schmitz. Witness by hand and official seal.

K. Brian Wood
Notary Public



My Commission Expires: 12-11-09
Notary's Address: 37 Verano Loop, Santa Fe, NM 87508

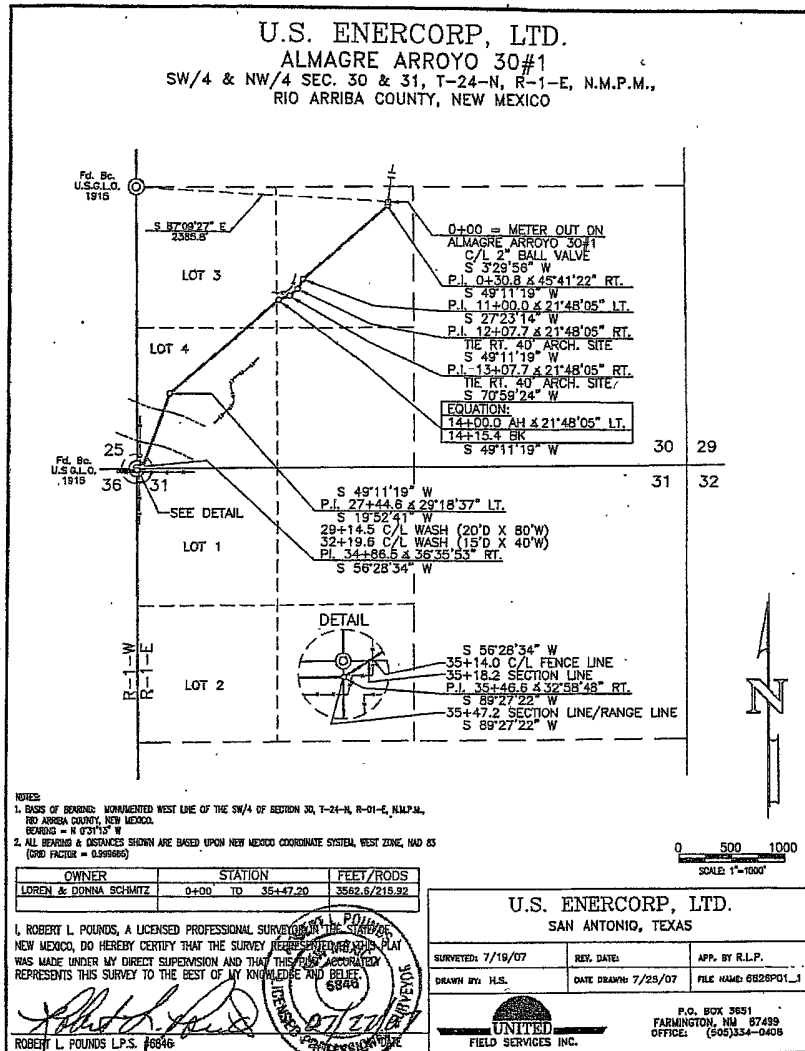


EXHIBIT A

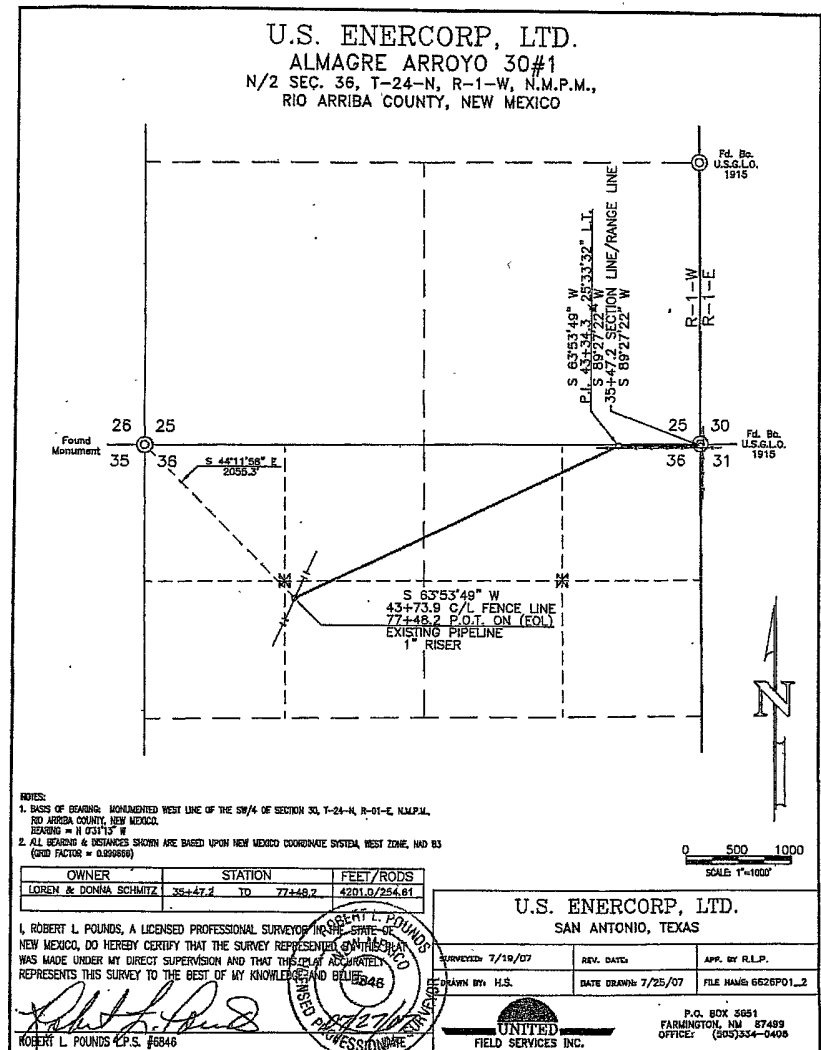


EXHIBIT B