

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B 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 **Four Star Oil & Gas Company (131994)** (c/o Alan W. Bohling, Rm 4205)

3a. Address
15 Smith Road Midland, Texas 79705

3b. Phone No. (include area code)
432-687-7158

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1503' FNL & 1750' FEL
UL G, SWNE, Sec. 12, T27N, R09W**

5. Lease Serial No.

I-149-IND-8465

6. If Indian, Allottee or Tribe Name

Navajo-Allotted

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

8. Well Name and No.

Blanco #2 (17659 Property Code)

9. API Well No.

30-045-06684

10. Field and Pool, or Exploratory Area

Otero-Chacra / Blanco-Mesaverde

11. County or Parish, State

San Juan County, New Mexico

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 type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Application for DHC
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	in Otero-Chacra
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	& Blanco-Mesaverde

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 must 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 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.)

Four Star Oil & Gas Company respectfully submits this application for Administrative Approval to Downhole Commingle (DHC) production from the Otero-Chacra (82329) and the Blanco-Mesaverde (72319) Pools within the wellbore of the Blanco # 2. Both of these pools are included in the Pre-Approved Pools for Downhole Commingling established by NMOCD Division Order R-11363, Amending Rule 303.C (Case No. 12346 w/Exhibit "A").

This well is currently completed in the Blanco-Mesaverde Pool. We plan to pull tubing and production equipment, perforate and fracture treat the Otero-Chacra Pool, then RIH with tubing string, and Downhole Commingle produce both pools within this wellbore.

Please see additional Downhole Commingle Supporting Data on Continuation Page 2 and attachments.

Concurrent DHC Application is being made with NMOCD, Aztec Office on Form C-103 on this same date.

RCVD AUG 29 '07

**OIL CONS. DIV.
DIST. 3**

No DHC Order - 8-6-07

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

Alan W. Bohling

Title **Regulatory Agent**

Signature

Alan W. Bohling

Date

08/23/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Henry

Title **Geo**

Date **8-27-07**

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 **FFO**

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

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington D.C. 20240

Continuation Page 2 (Form 3160-5, Downhole Commingle Application, Dated 08/23/2007)

BLANCO # 2

(API # 30-045-06684)

1503' FNL & 1750' FEL

UL G, SWNE, Sec. 12, T-27-N, R-09-W

San Juan County, New Mexico

In support of this proposed Downhole Commingling request, Four Star Oil & Gas submits the following:

- a. The two pools to be commingled are the Otero-Chacra (82329), with proposed perforations from 2945'-2960' & 3098'-3110' and the Blanco-Mesaverde (72319), with perforations from 4276'-4461'.
- b. We have not experienced any significant cross flows between these two intervals and all fluids produced from these intervals are compatible.
- c. Downhole Commingling will not reduce the value of the total remaining production and will enhance the economic life of the well by eliminating redundant surface and downhole equipment if dually completed and by maximizing its productivity and total recoveries.
- d. Ownership percentages in the two zones are identical.
- e. Concurrent DHC Application is being sent on Form C-103 to the NMOCD, Aztec Office.
- f. Our proposed production Allocation Percentages will be based on historical production from Blanco-Mesaverde zone by this well and utilizing the "Subtraction Method" where the Blanco-Mesaverde production will be subtracted from the Total Downhole Commingled production to arrive at the Otero-Chacra production. (Please reference attached table & graph for the Blanco # 2's historical production from Blanco-Mesaverde). Resulting production and allocation will be reflected on the yet to-be-filed BLM 3160-4 and NMOCD C-104(s), as appropriate, once well is DHC completed.



Blanco 2

API: 30-045-06684

San Juan County, New Mexico

Proposed Well Schematic as of 8-2-2007

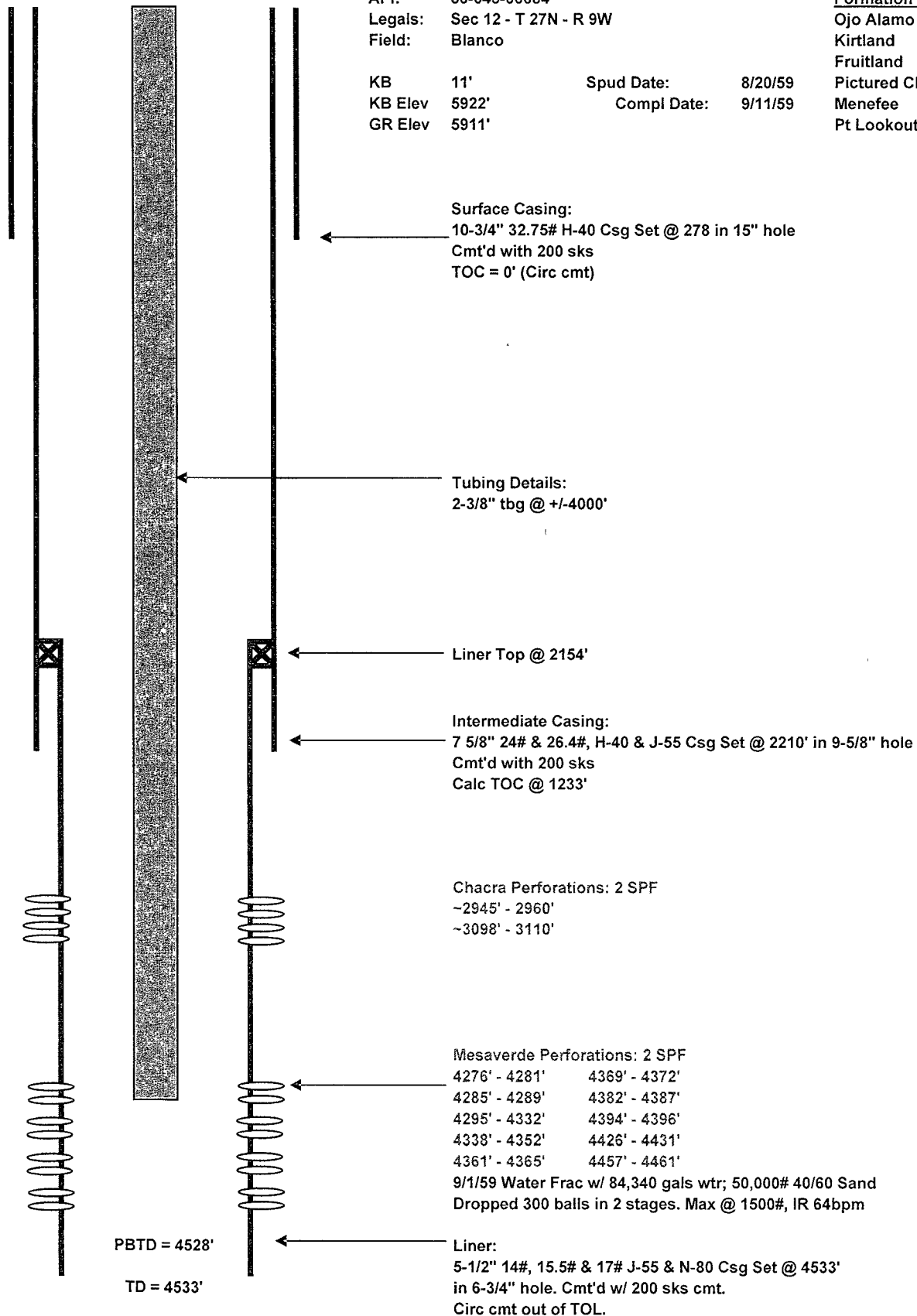
API: 30-045-06684
Legals: Sec 12 - T 27N - R 9W
Field: Blanco

KB 11'
KB Elev 5922'
GR Elev 5911'

Spud Date: 8/20/59
Compl Date: 9/11/59

Formation Tops:

Ojo Alamo	1116'
Kirtland	1176'
Fruitland	1737'
Pictured Cliffs	1997'
Menefee	3678'
Pt Lookout	4272'



Prepared by: Joy Leopold
Date: 6/20/2007

Revised by:
Date: