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Form 3160-3
(August 2007)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.5. Lease Serial No.
NMC029512A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well☐ Gas Well☒ Other

SWD ✓

2. Name of Operator
Dakota Resources, Inc

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

8. Well Name and No.
Wallen Federal #2 (SWD) ✓9. API Well No.
30-025-23985 ✓3a. Address
4912 N. Midkiff, Midland, Texas3b. Phone No. (include area code)
(432) 697-342010. Field and Pool or Exploratory Area
Feas Yates SWD4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990 FNL, 1650 FWL, Sec 20, T20S-R34E, Lea County, New Mexico11. Country or Parish, State
Lea County, New Mexico ✓

12. CHECK THE APPROPRIATE BOX(ES) 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 checked="" 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 type="checkbox"/> Other
	<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 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.)

As per written order #1004PS01W,

On May 17, 2010, tubing pressure = 500 psig & casing annulus pressure = 0 psig. No corrections or repairs were required for compliance.

Our records confirm with BLM records of a NMOC maximum injection pressure of 640 psi (see attached Reclassification letter dated September 8, 1982). Maximum pressure was exceeded (as per a 4/08/2010 inspection) due to a faulty high pressure shutdown switch. The pressure shutdown switch became "out of calibration" due to severe weather and freezing temperatures during March 2010. The high pressure shutdown switch was replaced by an electrician during March but the shutdown set point was not calibrated back to the well pressure readings or to the original set points.

The high pressure set points have since been reset to the proper setting. Injection pressure is now below the maximum allowable pressure.

On May 17, 2010, a Mechanical Integrity Tests was conducted to 540 psi on the casing annulus (on a 1,000 psi chart) for 30 minutes with 0 psig leakage. (see attached chart).

Weekly tubing and casing annulus pressures reading will be added to the monthly guage report to ensure early detection of any problems in the future.

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

Title Operations Engineer

Signature

Date 05/19/2010

ACCEPTED FOR RECORD

JUN 8 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved by

ELG 6-14-10

Title

Date

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

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)

T.M.

Received via fax
5/19/2010
original on file.
RBT

