New Mexico Oil Conservation Division, District I 1625 N. French Drive

DEPARTMENT OF THE INTERIOR OM B No. 1004-0137 Expires: March 31, 2007 BUREAU OF LAND MANAGEMENT 5. Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NMNM-0145685 Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name bandoned well. Use Form 3160 - 3 (APD) for such proposals. SUBMIT IN TRIPLICATE- Other instructions on reverse side. 7. If Unit or CA/Agreement, Name and/or No. 1. Type of Well Oil Well □ Gas Well □□ Other 8. Well Name and No. 2. Name of Operator EOR Operating Company Horton Federal #28 API Well No. 3a. Address 3b. Phone No. (include area code) 3004110122 200 N. Loraine, Suite 1440 Midland, TX 79701 432-687-0303 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Milnesand - San Andres 330'FNL & 990' FEL, NENE Sec. 29, T8S-R35E, NMPM, Roosevelt Co., NM 11. County or Parish, State Roosevelt Co., NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Production (Start/Resume) Deepen Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair Subsequent Report Other Change of Operator New Construction Recomplete Change Plans Plug and Abandon __ Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back ■ Water Disposal 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 shall 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 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.)

NEW OPERATOR ACCEPTS RESPONSIBILITY UNDER STATEWIDE BOND NO. NMB000544

CHANGE OF OPERATOR FROM XERIC OIL & GAS COMPANY TO EOR OPERATING COMPANY EFFECTIVE 7/1/2008.

EOR Operating Company Accepts All Applicable Terms, Conditions, Stipulations, And Restrictions Concerning Operations Conducted On The Leased Land Or Portion Thereof Under Their S/W BLM Bond No. NMB000544.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	1
Tony Krakauskas, CPL	Title Land Manager
Signature Tay Ch	Date 03/24/2011
THIS SPACE FOR FEDERA	AL OR STATE OFFICE USE
Approved by /S/ DAVID R. GLASS	PETROLEUM ENGINEER Date APR 1 5 2011
Conditions of approval, if any, are attached. Approval of this notice does not wan certify that the applicant holds legal or equitable title to these rights in the subject which would entitle the applicant to conduct operations the conduct operations.	arrant or
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for a States any false, fictitious or fraudulent statements or representations as to appropriate	any person knowingly and willfully to make to any department or agency of the Unite

(Instructions on page 2)