

OCD-ARTESIA

Form 3160-5
(April 2004)

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.

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

| | | |
|---|--|--|
| 1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM 0354232 |
| 2 Name of Operator Snow Oil & Gas Inc | | 6 If Indian, Allottee or Tribe Name |
| 3a. Address P.O. Box 1277 Andrews, TX 79714 | 3b. Phone No (include area code) 432-524-2371 | 7 If Unit or CA/Agreement, Name and/or No |
| 4. Location of Well (Footage, Sec., T, R, M, or Survey Description) 1940' FNL & 2020' FWL Section 28, T21S, R27E | | 8 Well Name and No. Elizando Fed 2 |
| | | 9 API Well No. 30-015-31978 |
| | | 10 Field and Pool, or Exploratory Area |
| | | 11 County or Parish, State Eddy Co., 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 checked="" 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 |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | perf & test |
| | <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.)

Perf Delaware from 3950'3970' & 4055'-4085'. Acidize and frac as needed. Anticipate WO rig to be available September 15, 2011 to perform work.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record - NMOCD

8-25-11



| | | |
|--|-----------------|--|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Joe Lindemood | | Title Agent |
| Signature <i>Joe Lindemood</i> | Date 8/8/11 | APPROVED |
| 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 Office | <div> AUG 20 2011 <i>Wesley W. Ingram</i> WESLEY W. INGRAM PEROLEUM ENGINEER </div> |

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make any statement or representation as to any matter within its jurisdiction.

(Instructions on page 2)

**Elizando Fed 2
30-015-31978
Snow Oil & Gas Inc
August 20, 2011
Conditions of Approval**

Reminder to operator: Well is still in non-compliance as it is shut-in without approval.

Sundry dated 08/08/2011, received at BLM CFO 08/15/2011.

- 1. Surface disturbance beyond the originally approved pad must have prior approval.**
- 2. Closed loop system required.**
- 3. Operator to have H2S monitoring equipment on location.**
- 4. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment).**
- 5. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 6. Operator to submit subsequent sundry with details of all work completed and a well test results when work is complete. A determination will be made at that time whether further economic evaluation of the well is required by the BLM. Include final well bore schematic.**
- 7. OPERATOR SHALL HAVE WORK COMPLETED AND THE WELL ON PRODUCTION BY SEPTEMBER 30, 2011 OR SUBMIT PLANS TO PLUG AND ABANDON THE WELL.**

WWI 082011