

## OCD-ARTESIA

Form 3160-5  
(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  
NMLC 057798

6 If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2 Name of Operator

FAIRWAY RESOURCES OPERATING, LLC

3a. Address

538 SILICON DR, SUITE 101  
SOUTH LAKE, TX 76092

3b. Phone No (include area code)

817-416-1946 X223

7. If Unit of CA/Agreement, Name and/or No.  
SOUTH RED LAKE UNIT II8. Well Name and No  
179. API Well No.  
30-015-00630

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

UNIT K, 2263 FSL AND 1650 FWL, SEC 35 T17S-R27E

10. Field and Pool or Exploratory Area

RED LAKE QUEEN, GRAYBURG, SAN ANDRES

11 Country or Parish, State

EDDY, NM

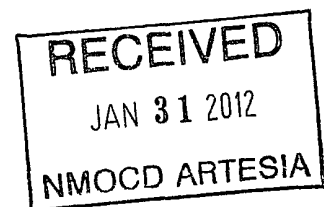
12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input checked="" 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" 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 recompleting 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 recompleting 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.)

P&amp;A COMPLETED 1/16/2007

ALL CORRECTIVE RECLAMATION WORK HAS BEEN COMPLETED AND LOCATION WAS INSPECTED BY BLM PRIOR TO SALE OF UNIT TO LEGACY RESERVES IN 4/2010.



*Denied - See Attached James R. Arma 1-26-12*

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

Title ENGR. TECH

Signature *Star Hasse* Date 12/09/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

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)

*PS 2/1/2012*Accepted for record  
NMOCD

Fairway Resources Operating, LLC  
538 Silicon Dr. Suite 101  
Southlake, TX 76092

RE: LC057798; South Red Lake II No. 17  
2263' FSL & 1650' FWL, Section 35, T17S-R27E  
Eddy County, New Mexico

Subject: Final Abandonment Notice – Denial

The reclamation and restoration of the referenced well location does not meet the BLM objectives (attached). The BLM objectives are to be met prior to release and/or Final Abandonment can be approved. Take appropriate action to meet objectives. Contact Jennifer Van Curen @ 575-234-5905 if any questions, or to set up an onsite to identify a path forward to meet the objectives.

James A. Amos  
Supervisory Environmental Protection Specialist

## **Reclamation Objective**

At final abandonment, well location, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases, this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

The reclamation process involves restoring the original landform or creating a landform that approximates and blends in with the surrounding landform. It also involves salvaging and reusing all available topsoil in a timely manner, revegetating disturbed areas to native species, controlling erosion, controlling invasive non-native plants and noxious weeds, and monitoring results. With proper reclamation measures, over time, local native species will become re-established on the site and the area will regain its original productive and scenic potential.

Reclamation generally can be judged successful when a self-sustaining, vigorous, diverse native (or otherwise approved) plant community is established on the site, with a density sufficient to control erosion and non-native plant invasion and to re-establish wildlife habitat or forage production. Erosion control is generally sufficient when adequate groundcover is reestablished, water naturally infiltrates into the soil, and gully, headcutting, slumping, and deep or excessive rilling is not observed. The site must be free of State- or county listed noxious weeds, oilfield debris, contaminated soil, and equipment. The operator should inform the surface management agency that reclamation has been completed and that the site is ready for final inspection when these requirements have been met. Use Form 3160-5 (Sundry Notices and Reports on Wells), Final Abandonment Notice (one original and 3 copies).

If any questions, Contact Jim Amos @ 575-234-5909 (office) or 575-361-2648 (cell).