

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires: July 31, 2010

OCD Artesia Lease Serial No.
NM97136

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 page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Hanley Petroleum, Inc.		7. If Unit of CA/Agreement, Name and/or No.
3a. Address 415 W. Wall, Suite 1500 Midland, Texas 79701	3b. Phone No. (include area code) (432) 684-8051	8. Well Name and No Adams Federal #1
4. Location of Well (Footage, Sec., T, R, M., or Survey Description) Sec 31, T-19-S, R-31-E		9. API Well No. 30-015-22613
		10. Field and Pool or Exploratory Area Gatuna Canyon Bone Spring
		11. Country or Parish, State Eddy County, Texas

12. CHECK THE 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 checked="" 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 checked="" 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 recomplate 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 recompletion 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)

Hanley Petroleum, Inc. requests permission, after the fact, to test Delaware thru perfs @ 6468-6528', 6556-6637' & 6862'-6886'. By the following procedure:

- 1) POH w/rods, pump & tbg
- 2) Run Halliburton Cast V casing inspection log. (Pipe ok for frac)
- 3) Set composite BP @ +/-7000'.
- 4) Circ hole clean w/2% KCl WTR and spot 500 gals of acid over bottom Perfs F/ 6862-6886'
- 5) Perf and stage frac as follows:
 - a) Perf F/ 6862-6886' w/2 spf, frac w/ 500 gal acid plus 50,000 gal silver stim (15) and 60,000 #16/30 white sand
 - b) Set drillable BP @ +/-6670, Perf F/6556-57', 6566-70', 6608-37' w/2 spf, frac w/ 1000 gals acid plus 70,000 gals silver stim LT basic (15) and 85,000 #16/30 white sand.
 - c) Set driuable BP @ +/-6540, Perf F/6468-80', 6504-28' w/2 spf frac w/1000 gal acid plus 74,000 gals silver stim LT basic (15) and 90,000 #16/30
- 6) Flow back, swab & evaluate.

RDade 02/20/2012
Accepted for record
NMOCD

RECEIVED
FEB 17 2012
NMOCD ARTESIA

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Gary Mulloy		Title Consultant
Signature <i>G. Mulloy</i>		Date 01/03/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	<p>ACCEPTED FOR RECORD</p> <p>FEB 15 2012</p> <p><i>W. Ingram</i></p> <p>WESLEY W. INGRAM PETROLEUM ENGINEER</p>
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