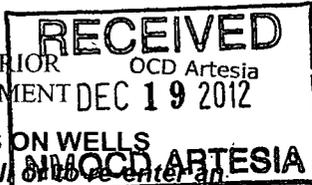


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



FORM 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 - 054908

6. If Indian, Allottee or Tribe Name  
NA

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

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
Fair Oil, Ltd.

3a. Address  
P.O. Box 689  
Tyler TX 75710

3b. Phone No. (include area code)  
903-510-6527

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
990' FNL & 330' FEL, Sec 18. T17S, R31E, NMPM

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

8. Well Name and No.  
Fair 18 Federal #2

9. API Well No.  
30-015-40472

10. Field and Pool or Exploratory Area  
Cedar Lake; Glorieta-Yeso

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 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 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	

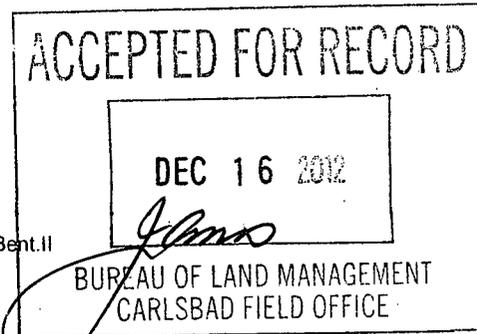
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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 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.)

10/12/12  
Run 68jts (2,628.66') 7" 26# P-110 UFJ (Casing)  
Cement: 10 bbl Fresh Water Spacer  
Cement with:  
Lead: 300sx Class C+.005 GPS FP-6L+1% BWOC CaCl+56.2% FW  
Displaced 53 bbl fresh water

10/21/12 - Reached TD of 6101', Ran Platform Express Density/Neuton log, Caliper log

10/22/12  
Run 133jts (6,099') 4-1/2" 11.6# N-80 LTC Casing ( 34 Centralizers)  
Cement: 10 bbls Fresh Water Spacer  
Cement with:  
Lead: 155sx 35:65 POX-C W/5% bwow Sodium Chloride+ 25 lbs/sk Cell0+2% bwoc FL 52+6%bwoc Bent.II  
Tail: 470sx , Class C W/ 125lbs/sk Cello+5%lbs/sk LCM-15.2%bwoc FL-25+.1BWOC R-3

10/23/12 - Released drilling rig, waiting on completion



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Rodney K. Thomson

Signature: *Rodney K. Thomson*

Title Production Manager

Date 11/14/2012

*J. Adams 12/19/12*  
ACCEPTED FOR RECORD  
NMOC

**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.