

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL CONSERVATION DIVISION
811 S. FIRST STREET
ARTESIA, NM 88210

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

Lease Serial No.
NMNM 36189

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.

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

Scythian, Ltd., a Texas Limited Partnership

3a. Address

300 N. Marienfeld, Suite 950
Midland, Texas 79701

3b. Phone No. (include area code)

432-685-3602

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

8. Well Name and No.
McKay Federal #002

9. API Well No.

30-005-62824

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
M-27-05S-21E

10. Field and Pool or Exploratory Area
Pecos Slope; Abo West (Gas)

11. Country or Parish, State
Chaves County, NM

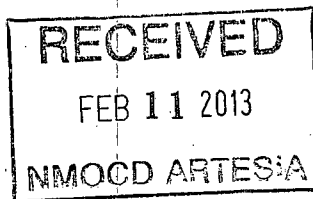
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

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 checked="" type="checkbox"/> Other Shut-In
	<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 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 must 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 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.)

Due to an unacceptable level of Nitrogen found in the gas from this specific well, it has been necessary to temporarily Shut-In this well. It is our understanding that Transwestern has dictated the "acceptable level" of nitrogen in the gas they accept from Agave Energy Company (Purchaser).

It should be noted that nitrogen is inherently found throughout the Pecos Slope Field.



ACCEPTED FOR 12 MONTH PERIOD
ENDING JAN 31 2014

RDado 2/14/13
Accepted for record
NMOC D

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Thomas A. Clifton

Title Agent and Attorney-In-Fact for Scythian, Ltd.

Signature

Thomas A. Clifton

Date 01/28/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title

Date

Office

ROSWELL FIELD OFFICE

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.

DAVID R. GLASS

PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 and Title 42 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)