

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

5. Lease Serial No.  
MNM 32325B

**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.

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

1. Type of Well

Oil Well     Gas Well     Other

8. Well Name and No.  
China Draw Federal #002

2. Name of Operator  
Scythian, Ltd., a Texas Limited Partnership

9. API Well No.  
30-005-62234

3a. Address  
300 N. Marienfeld, Suite 950  
Midland, Texas 79701

3b. Phone No. (include area code)  
432-685-3602

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
E-31-06S-23E Lot 2

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 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.)

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.

**RECEIVED**  
FEB 11 2013  
NMOCD ARTESIA

ACCEPTED FOR 12 MONTH PERIOD  
ENDING JAN 31 2014

Accepted for record  
NMOCD LRD/ab 2/14/13

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 **ACCEPTED FOR RECORD**  
**/S/ DAVID R. GLASS**

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

**ROSWELL FIELD 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)