N.M. Oil Cons. DIV-Dis 1301 W. Grand Avenue

Form 3160-5 (August 1999)

UNITED STATES TASSIA, NIM 88210 BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires November 30, 2000

5. Lease Serial No.

SUNDRY NOTICES AND REPORTS ON WELLS

NMNM09003 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

abandoned we	n. Ose Form 3100-3 (AFE) for such proposals	•				
SUBMIT IN TRIPLICATE - Other instructions on reverse side					A/Agreement, Name and/or No.		
1. Type of Well	DI	RECEIVED		NMNM71152 Expires refi			
S Oil Well Gas Well Other			NMNM71152 5-30-1989				
2. Name of Operator MAR 1 5 2006					Fed 1		
LYNX PETROLEUM CONSULTANTS, INC.				9. API Well N			
3a. Address P.O. BOX 1708 HOBBS, NM 88241 (505) 392-6950					10397-00-S1		
					10. Field and Pool, or Exploratory Area		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					Lusk 11. County or Parish, State		
Sec 13 T19S R31E SWSW 660FSL 760FWL					atisti, state		
					Eddy County, NM		
12. CHECK AP	PROPRIATE BOX(ES) T	O INDICATE NATUI	RE OF NOTICE, R	EPORT, OR O	THER DATA		
TYPE OF SUBMISSION		TY	PE OF ACTION				
	Acidize	Deepen	Production (Start	/Resume)	Water Shut-Off		
Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity		
Subsequent Penert	Casing Repair	New Construction	Recomplete		Other		
Subsequent Report	Change Plans	Plug and Abandon	Temporarily Ab	andon			
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal				
The Radar 'a Based on the justify the and higher p	BANDONMENT STATE 24' Fed. No. 1 e performance Sweeney work product prices 2/08/07	was recompl of this well at this time could make	eted to the cannot be Zone ap	t econom pears to GP [Viliab]	nically be present le D 2006		
14. I hereby certify that the foregon	/ /		8				
Name (Printed/Typed)		1	AGE .				
Andrea Scot	t	Title	egulatory	Clerk			
Signature andu	a Scott	E the	3/7/06				
	THIS SPACE	FOR FEDERAL OR S	TATE OFFICE USE				
	D.) GARY GOURLEY		Title	Date	3/8/06		
Conditions of approval, if any, are certify that the applicant holds leg which would entitle the applicant to	gal or equitable title to those rig	.1.4. ! 411 1	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.

BUREAU OF LAND MANAGEMENT Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201 505-627-0272

Temporary Abandonment of Wells on Federal Lands Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful casing integrity test as follows:

- 1. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
- 2. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
- 3. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
- A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
- Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity
 Test. For wells in Chaves and Roosevelt County, call 505-627-0272; Eddy County, 505-887-6544; Lea
 County 505-393-3612.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for a 12 month period provided that the operator:

- 1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
- 2. Attaches a clear copy or the original of the pressure test chart.
- Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.
- 4. Describes the temporary abandonment procedure.

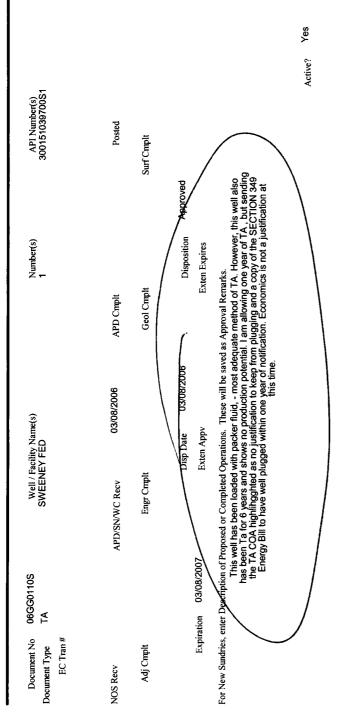
The TA status could be extended without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

- 1. A procedure to repair the casing so that a TA approval can be granted.
- A procedure to plug and abandon the well.

Ref: IM: NM-95-022 (12/16/94)

Notice Approval - Dates

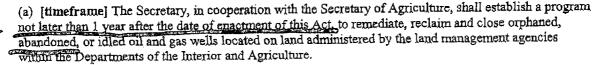


- (2) gas production from marginal properties....
- (c) REDUCED ROYALTY RATE. [see legislation]

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- (d) TERMINATION OF REDUCED ROYALTY RATE. [see legislation]
- (e) REGULATIONS PRESCRIBING DIFFERENT RELIEF.
 - (1) Discretionary regulations; (2) Mandatory regulations

Section 349. Orphaned, Abandoned, or Idled Wells on Federal Land.



- (b) The program under subsection (a) shall
 - (1) include a means of ranking well sites for priority in remediation, reclamation, and closure based on public health and safety, potential environmental harm, and other land use priorities;
 - (2) provide for identification and recovery of the costs for persons or other entities currently providing a bond or other financial assurance;
 - (3) provide for recovery from those identified under paragraph (2)
- (c) In carrying out the program, the Secretary shall work cooperatively with the Secretary of Agriculture and the States and consult with the Secretary of Energy and the Interstate Oil and Gas Compact Commission.
- (d) PLAN [timeframe] Not later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the Secretary of Agriculture shall submit to Congress a plan for carrying out the program.
- (c) A well is idled if the well has been non-operational for at least 7 years and there is no anticipated beneficial use for the well.
 - (f) FEDERAL REIMBURSEMENT FOR ORPHANED WELL RECLAMATION PILOT PROGRAM.
 - (1) The Secretary shall carry out a pilot program under which, issuing a new oil and gas lease on federally owned land on which 1 or more orphaned wells are located, the Secretary may
 - (A) require, other than as a condition of the lease, that the lessee remediate, reclaim, and close in accordance with standards established by the Secretary, all orphaned wells on the land leased; and
 - (B) shall develop a program to reimburse a lessee, through a royalty credit against the Federal share of royalties owed or other means, for the reasonable actual costs of remediation, reclaiming, and closing the orphaned wells pursuant to that requirement.
 - (2) The Secretary (A) may authorize any lessee to reclaim in accordance with the Secretary's standards and orphaned well on unleased federally owned land; or an orphaned well located on an existing lease on federally owned land for the reclamation of which the lessee is not responsible.
 (b) shall develop a program to provide reimbursement of 100 percent of the reasonable actual

Communitized Area hall be construed and considered as the commencement, completion, continued operation of production on each and all of the lands within and comprising said Communitized Area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

- 10. The production of Communitized Substances and disposal thereof shall be in conformity with allocation, allotments or quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders; rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- This agreement shall be effective as of the date hereof upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior, or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as Communitized Substances are or can be produced from the Communitized Area in paying quantities; provided, that prior to production in paying quantities from the Communitized Area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. agreement shall not terminate upon dessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the Communitized Area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the Communitized Area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor and in the applicable oil and gas operating regulations of the Department of the Interior.
- 13. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferree or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior.

Production Summary of api:3001510397 pool:LUSK;STRAWN

producing year	Oil	Gas	Water	Co2
1982**	350499	1111337	0	0
1983	0	0	0	0
1984	0	0	0	0
1985	0	0	0	0
1986	0	0	0	0
1987	0	0	0	0
1988	0	0	0	0
1989	0	0	0	0
1990	0	0	0	0
1991	0	0	0	0
1992	0	0	0	0
1994	0	0	0	0
1995	0	0	0	0
1996	0	0	0	0
1997	0	0	0	0
1998	0	0	0	0
1999	0	0	0	0
2000	0	0	0	0
2001	0	0	0	0
2002	0	0	0	0
2003	0	0	0	0
2004	0	0	0	0
2005	0	0	0	0
summary	350499	1111337	0	0

^{**}represents cumulative production data from pre-ONGARD database until December 1992.

• this well and pool combination has other production data, click here to see the report.