

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ROSWELL DISTRICT COPY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

| | |
|--|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | 5. Lease Designation and Serial No. <u>LC-060572A ✓</u> |
| 2. Name of Operator <u>DAKOTA RESOURCES, INC. (I)</u> | 6. If Indian, Allottee or Tribe Name |
| 3. Address and Telephone No. <u>310 W. WALL St 814 MIDLAND, TX 79701 915-687-0501</u> | 7. If Unit or CA, Agreement Designation |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <u>UNIT LETTER: F ✓ 2180' FWL #1980' FWL SEC 7 T-21-S R-28-E ✓</u> | 8. Well Name and No. <u>BIG EDDY FEDERAL #98</u> |
| | 9. API Well No. <u>30-015-24707</u> |
| | 10. Field and Pool, or Exploratory Area <u>NW FENTON-DELAWARE</u> |
| | 11. County or Parish, State <u>EDDY Co., NM</u> |

12. CHECK APPROPRIATE BOX(S) 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"/> Abandonment |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input checked="" type="checkbox"/> Other <u>VARIANCE REQUEST</u> |
| | <input type="checkbox"/> Change of Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

THE BIG EDDY FEDERAL #98 IS LOCATED 0.5 MILES WEST OF EDDY Co. RD #243 AND 1 MILE NORTHWEST OF HWY 62-180. AN OILFIELD LEASE ROAD RUNS EAST TO WEST ON THE NORTHSIDE OF THIS LOCATION. THIS ROAD IS OILFIELD MAINTAINED. AS PER CONVERSATION WITH JIM AMOS, BLM-CARLSBAD, ON MAY 30, 1997, FENCING THESE STORAGE TANKS WAS NOT REQUIRED.

BUREAU OF LAND MGMT
 CARLSBAD RESOURCE AREA
 RECEIVED
 1997 JUN -9 A 8:31
 OK

14. I hereby certify that the foregoing is true and correct.

Signed Greg M. K. Gause Title OPERATIONS MANAGER Date 6-2-97

(This space for Federal or State office use)

Approved by Alexis C. Swoboda Title PETROLEUM ENGINEER Date JUN 12 1997

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Certified Mail-Return Receipt Requested 363624789

Hand Delivered, Received by _____

| | |
|----------------|--------------------|
| Identification | |
| Lease | <u>NMLC060572A</u> |
| CA | |
| Unit | |
| PA | |

| | | | |
|---|--|--|------------------------|
| Bureau of Land Management Office CARLSBAD RESOURCE AREA | | Operator DAKOTA RESOURCES, INC. | |
| Address 620 E GREENE, CARLSBAD, NM 88220 | | Address 310 W. WALL, SUITE 314 MIDLAND TX 79701 | |
| Telephone (505) 887-6544 (FAX 885-9264) | | Attention | |
| Site Name TRIGG/BIG EDDY FED. | Well or Facility Identification WELLS #1 & #98 | 1/4 Sec. NWSW/SENW, 7 | Township 21S |
| Inspector DUNCAN WHITLOCK | Range 28E | Meridian NMPM | |

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE.

| Date | Time (24-hour clock) | Violation | Gravity of Violation |
|--------------------------------------|----------------------|--|--------------------------|
| <u>97/04/13</u> | <u>1000</u> | <u>43CFR3162.1 O.O.#6, III, D, 2</u> | <u>MINOR</u> |
| Corrective Action To be Completed by | Date Corrected | Assessment for Noncompliance | Assessment Reference |
| <u>97/05/21</u> | <u>6-2-97</u> | <u>\$</u> | <u>43 CFR 3163.1 ()</u> |

Remarks:
STORAGE TANKS NOT FENCED WITH 5-FEET CHAIN-LINK OR 5 STRAND BARBED WIRE FENCE. FENCE STORAGE TANKS AS PER ONSHORE ORDER #6.

When violation is corrected, sign this notice and return to above address.

Company Representative Title OPERATIONS MANAGER Signature [Signature] Date 6-2-97
Company Comments PLEASE SEE ATTACHED SUNDRY NOTICES.

WARNING

Incidents of Noncompliance correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By," you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations in title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notes, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, but not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 30 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 4015 Wilson Blvd., Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

| | | |
|---|-------------------------|---------------------|
| Signature of Bureau of Land Management Authorized Officer <u>[Signature]</u> | Date <u>97/04/20</u> | Time <u>0930</u> |
|---|-------------------------|---------------------|

FOR OFFICE USE ONLY

| | | | | |
|------------------------------------|------|------------|---------|-------------|
| Number <u>40</u> | Date | Assessment | Penalty | Termination |
| Type of Inspection <u>PH/MS</u> | | | | |

ORIGINAL (RETURN TO ISSUING OFFICE)

RECEIVED
 JUN 9 8 59 AM '97
 BUREAU OF LAND MANAGEMENT
 CARLSBAD RESOURCE AREA