

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

3rd Corral
N.M. Div-Dist. 2
1301 W. 1st Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **Palisades Asset Holding Company, LLC**

3a. Address
223 W. Wall St. Ste 825, Midland, Texas 79701

3b. Phone No. (include area code)
432-686-7159

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1980 feet from the North line and 660 feet from the West line
Section 15, Township 14S, Range 31E, Unit Letter E**

5. Lease Serial No.
LC 060811

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Drickey Queen Sand unit

8. Well Name and No.
Well No. 45 (Tract 1 No. 1)

9. API Well No.
30-005-01054

10. Field and Pool, or Exploratory Area
Caprock Queen Field

11. County or Parish, State
Chaves Co., New Mexico

12. CHECK 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 checked="" 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 recomplate 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Placed Well #45 back on Production

2/27/07 - Move Nabors Well Service to location. Rig got stuck. Will get bulldozer to help spot rig. Prepare to change out rods & POP.

2/28/07 - Set Anchors

3/1/07 - Laid down 3/4" rods w/ 1 1/2" insert pump. Attempt to run new pump w/sinker bars & rods. Unable to get below 345' due to paraffin. Shut down. Prepare to hot water tubing, run rods w/pump & POP.

3/3/07 - Electrician inspected electrical installation

3/8/07 - Weatherford inspected unit to prepare to erect

3/9/07 - Erected pump jack

3/12/07 - Have Lea County Electric Coop turn on electric power for well. Will start pumping operations

3/13/07 - Lea County Electric Coop to replace electric meter

3/15/07 - Replace electric motor and started well pumping at 5:00 pm / Test Date

3/19/07 - Shot fluid level. Appears pumped off 98' joints to fluid or about 3000'. Pump is set at approx the same depth of 3000'.

Drickey # 45 is producing 2.2 bbls oil per day, 75 bw per day.

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

Herbert F. Boles

Title **Managing Member**

Signature

Herbert F. Boles

Date

3/29/07

ACCEPTED FOR RECORD FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

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.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person to States any false, fictitious or fraudulent statements or representations as to any matter within

(Instructions on page 2)

**Accepted For Record Only! Approval
Subject To Returning Well To Continuous
Production And Keeping Well On Continuous
Production Or Plugging Well With An
Approved Plugging Program!**

Accepted for record - NMOCD

4/10/07