

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

**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 page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

America Energy Resources, LLC

3a. Address

7575 San Felipe St, Ste 200, Houston TX 77063

3b. Phone No. (include area code)

713-984-9700

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,650' FSL + 2,310' FWL, Section 34, T-18-S, R-31-E

5. Lease Serial No.

NM-NM-10190 /

6. If Indian, Allottee or Tribe Name

N/A

NM 709 4/34

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

14-08-001-11572 East Shugart Unit

8. Well Name and No.

East Shugart Unit No. 17

9. API Well No.

30-015-05686

10. Field and Pool or Exploratory Area

Shugart (Y-7R-Q-G)

11. Country or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☒ Acidize

☐ Deepen

☐ Production (Start/Resume)

☐ Water Shut-Off

☐ Subsequent Report

☐ Alter Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Final Abandonment Notice

☐ Casing Repair

☐ New Construction

☐ Recomplete

☒ Other Re-perforate

☐ Change Plans

☐ Plug and Abandon

☐ Temporarily Abandon

existing Queen + Yates  
and acidize

☐ Convert to Injection

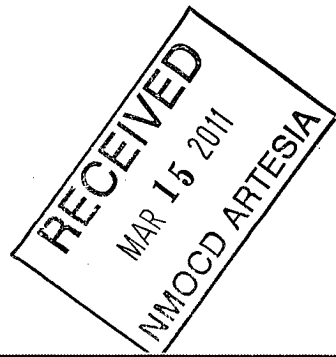
☐ Plug Back

☐ 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.)

1. Clean out well to PBTD of 3,892' ±.
2. Re-perforate Lower Queen sand intervals: LQ3 3,813'-21'; LQ4 3,828'-40'.
3. Re-perforate Lower Queen sand interval LQ2 3,756'-62'.
4. Re-perforate Lower Queen sand interval LQ1 3,618'-44'.
5. Re-perforate Upper Queen sand interval UQ3 3,506'-15'.
6. Re-perforate Upper Queen sand interval UQ2 3,374'-3,446'.
7. Re-perforate Upper Queen sand interval UQ1 3,298'-3,322'.
8. Re-perforate Yates sand interval Y5 3,728'-44'.
9. Re-perforate Yates sand interval Y4 2,682'-2,710'; 2,714'-19'.
10. Re-perforate Yates sand interval Y3 2,660'-78'.

(continued on back)



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

Hal Crabb, III

Title

Senior Petroleum Engineer

Signature

Hal Crabb, III

Date

02/18/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Office

APPROVED

MAR 12 2011

JAMES A. AMOS

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)

Accepted for record - NMOCD

DES



## PROPOSED OPERATION (continued)

11. Acidize Lower Queen intervals LQ3 + LQ4 w/2,000 gal 15% NEFE.  
Isolate this and all subsequent intervals w/RBP + packer.
12. Acidize Lower Queen interval LQ2 w/1,000 gal 15% NEFE.
13. Acidize Lower Queen interval LQ1 w/2,750 gal 15% NEFE.
14. Acidize Upper Queen interval UQ3 w/1,000 gal 15% NEFE.
15. Acidize Upper Queen interval UQ2 w/7,500 gal 15% NEFE.
16. Acidize Upper Queen interval UQ1 w/2,500 gal 15% NEFE.
17. Acidize V3, V4, + V5 Yates intervals w/7,500 gal 15% NEFE.
18. Swab load back.
19. Place well on production + test.

Estimated start date is March 15, 2011  
Job should take approximately 12 days.