

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NM-NM-101901
6. If Indian, Allottee or Tribe Name
N/A **NM 70943x**

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)

1,690' FNL + 1,940' FWL Section 34, T-18-S, R-31-E

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. 54

9. API Well No.

30-015-27948

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			
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input 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 Open additional Queen pay-acidize Yates and Queen
	<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 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 3,877'±.
2. Re-perforate Queen sand intervals: LQ2-3,756'-63'; LQ4 3,824'-34'
3. Perforate Queen sand intervals: LQ1-3,630'-50'; UQ3-3,512'-30'
4. Re-perforate Yates sand intervals: Y3+Y4-2,670'-2,700'; Y5-2,722'-27'
5. Acidize Queen sand intervals LQ2+LQ4 w/1,500 gal 15% NEFE. Isolate w/RBP+packer
6. Acidize Queen sand interval: LQ1 w/2,500 gal 15% NEFE. Isolate w/RBP+packer
7. Acidize Queen sand interval: UQ3 w/1,250 gal 15% NEFE. Isolate w/RBP+packer
8. Acidize Yates sand intervals: Y3, Y4, + Y5 w/5,000 gal 15% NEFE. Isolate w/RBP+packer
9. Place well on production + test.

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

Hal Crabb, III

Title **Senior Production Engineer**

Signature

Hal Crabb

Date

02/16/11

Approved by

MAR 15 2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

Date

MAR 12 2011

JAMES A. AMOS

SUPERVISOR LPS

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

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ENTERED