Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED OMB No. 1004-0137 AUG 21 2012 5 Lease Serial No.

NMNM-62969

Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WEELSnington Field Old (La Control of Control o Do not use this form for proposals to drill or to ream Management abandoned well. Use Form 3160-3 (APD) for such proposals. 7 If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. RCVD AUG 23'12 1 Type of Well 8 Well Name and No. Tsah Tah #3-3 OIL CONS. DIV. Oil Well Gas Well Other 2. Name of Operator Caerus Southern Rockies LLC 9 API Well No 30045345520000 DIST. 3 3a. Address 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area 600 17th Street, Suite 1600N Basin Fruitland Coal Gas Denver, CO 80202 303-565-4600 4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
1310' FSL & 990' FWL Section 3-24N-10W 11. Country or Parish, State San Juan County, New Mexico 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Deepen Acıdıze Production (Start/Resume) Water Shut-Off ✓ Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity ✓ Other Request continued Casing Repair New Construction Recomplete Subsequent Report shut-in status Plug and Abandon Change Plans Temporarily Abandon Convert to Injection Plug Back Final Abandonment Notice 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 recomplete 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 recompletion 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) The Tsah Tsah 3 #3 is currently shut-in due to low productivity. Caerus Southern Rockies LLC had planned to restore it's production by utilizing a "Caol Stim" process. Current economics can not justify that project at this time. Because Caerus still believes this is a viable project, Caerus Southern Rockies LLC requests that this well be allowed to remain shut-in for 1 year. A braden head test was recently performed in accordance with New Mexico Oil Conservation Division indicated no communication with the production casing. 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Amy Lay Title Operations Technician Lay Date 08/20/2012 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Original Signed: Stephen Mason AUG 2 2 2012 Title 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

(Instructions on page 2)

entitle the applicant to conduct operations thereon

fictitious or fraudulent statements or representations as to any matter within its jurisdiction

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,