

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

OCT 16 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 U. S. ENERCORP, LTD.

3a. Address
P. O. BOX 17098, SAN ANTONIO, TX 782173b. Phone No. (include area code)
210 829 4888

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

SHL: 3250' FSL & 1220' FEL 3-23N-1W NMPM

5. Lease Serial No.

NMNM-108021

6. If Indian, Allottee or Tribe Name

N/A

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

N/A

8. Well Name and No.

LAGUNA COLORADO 2/3 #1

9. API Well No.

30-039- 30272

10. Field and Pool, or Exploratory Area

W. PUERTO CHIQUITO MANCOS

11. County or Parish, State

RIO ARriba COUNTY, NM

12. CHECK 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 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 checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other ROAD
	<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 recomple 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 recomple 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.)

Request alternate access in case primary access closed by high water in Almagre Arroyo.

Alternate access will be 1,418.1' long (283.6' on private & 1,134.5' on BLM).

Road will be built & maintained to BLM Gold Book standards.

Private surface owners' consent is attached.

Archaeology report WAS 7039 filed 9-24-07.

Original APP CON's are still in effect

RECEIVED

OCT 16 2007

Bureau of Land Management
Farmington Field Office

cc: BLM, Sowell

RCVD OCT 23 '07

OIL CONS. DIV.

DIST. 3

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

BRIAN WOOD

(PHONE 505 466-8120)

Title CONSULTANT

(FAX 505 466-9682)

Signature

Date

10/15/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title EPTL

Date

10/22/07

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.

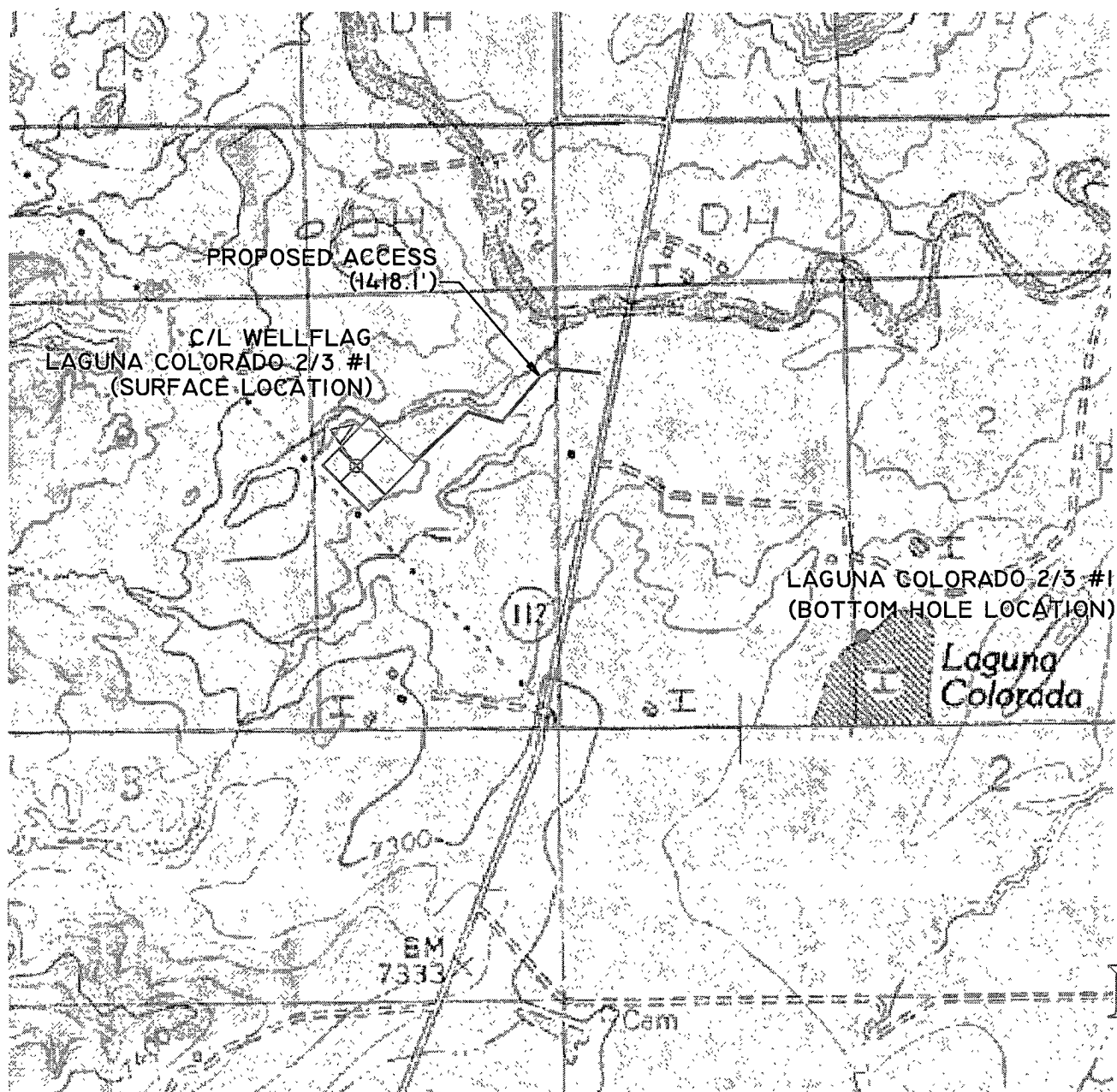
Office

FFO

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)

NMOCD



LAGUNA GURULE & REGINA QUADRANGLES

0 500 1000
SCALE: 1"=1000'

LEASE: LAGUNA COLORADO 2/3 #1
 FOOTAGE: 3250' FSL, 1220' FEL (SECTION 3)
2180' FSL, 1870' FWL (SECTION 2)
 SEC. 2 & 3 TWN. 23 N RNG. 1 W N.M.P.M.
 LATITUDE: 36.254457° N LONGITUDE: 106.925208° W
 ELEVATION: 7295

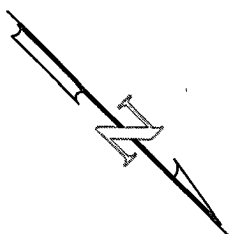
U.S. ENERCORP, LTD.
SAN ANTONIO, TEXAS

SURVEYED: 5/16/07	REV. DATE: 7/26/07	APP. BY: R.L.P
DRAWN BY: H.S.	DATE DRAWN: 5/18/07	FILE NAME: 7603T03

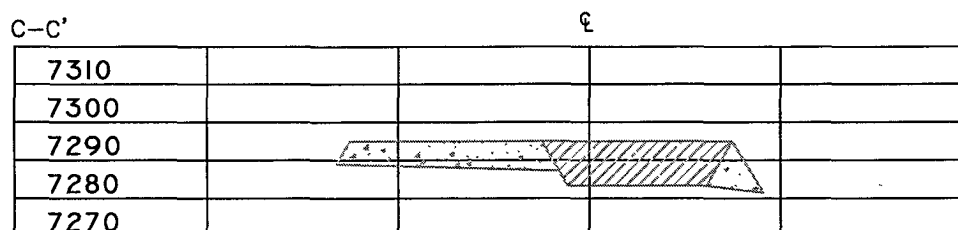
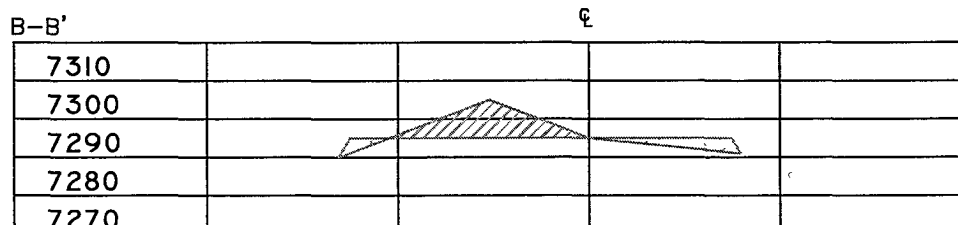
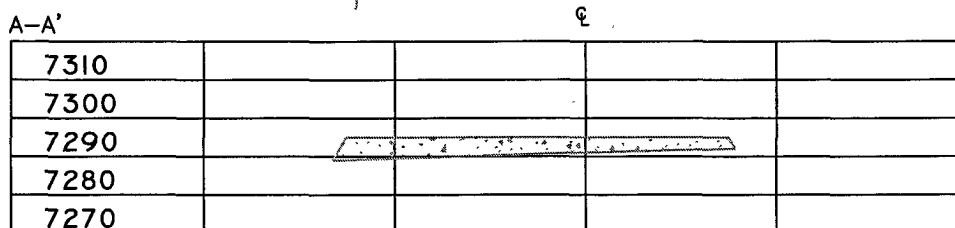
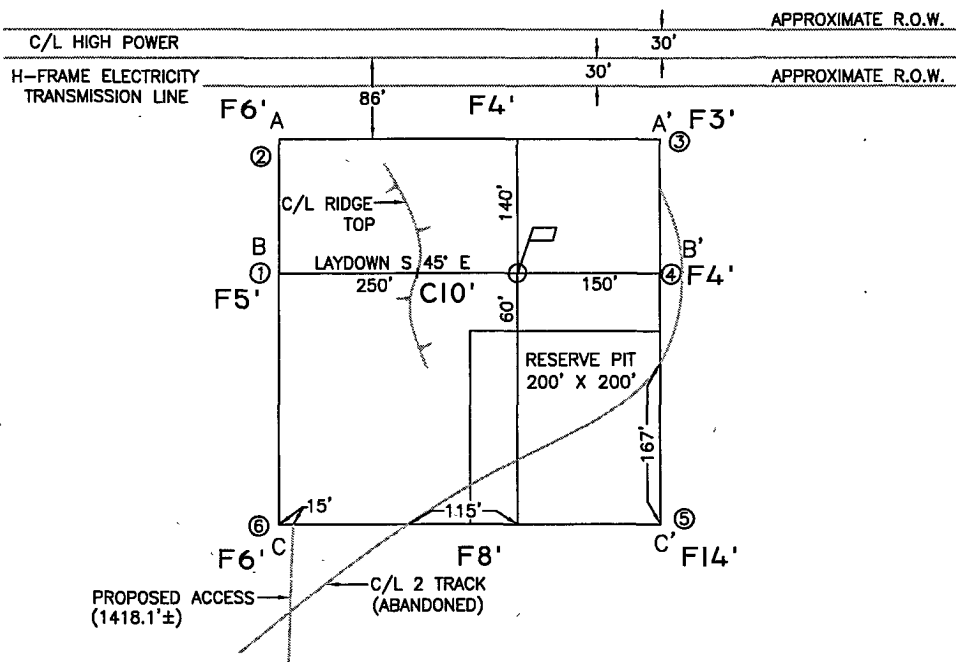


P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505)334-0408

**BEFORE DIGGING
CALL FOR UTILITY
LINE LOCATION!**



0 100 200
SCALE: 1"=200'



CROSS SECTIONS
HORIZONTAL: 1"=200'
VERTICAL: 1"=50'

LEASE: LAGUNA COLORADO 2/3 #1
FOOTAGE: 3250' FSL, 1220' FEL
SEC. 3 TWN. 23 N RNG. 1 W N.M.P.M.
LATITUDE: 36.254457° N LONGITUDE: 106.925208° W
ELEVATION: 7295

U.S. ENERCORP, LTD.
SAN ANTONIO, TEXAS

SURVEYED: 5/16/07	REV. DATE: 7/26/07	APP. BY R.L.P.
DRAWN BY: H.S.	DATE DRAWN: 5/18/07	FILE NAME: 7603C04



P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505) 334-0408

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Memorandum") is executed this 10th day of October, 2007 by and between Loren M. Schmitz *et ux*, Donna J. Schmitz, of HC 78, Box 6, Regina, NM 87046 ("Grantor", whether one or more) and U. S. Enercorp Ltd., P. O. Box 17098, San Antonio, TX 78217, ("Grantee"), and evidences that a Right-of-Way & Easement Grant was executed for the property as that term is hereinafter defined.

1. Property. Subject to terms of the Grant, Grantor has granted Grantee a Right-of-Way & Easement Grant over Grantor's Property described in Exhibit A, survey plat attached hereto.

2. Notices. All notices, requests, demands, and other communications to the Grantor or Grantee shall be made at the following addresses:

If to Grantee, to: U. S. Enercorp, Ltd.
P. O. Box 17098
San Antonio, TX 78217
Attention: John Sowell

If to Grantor, to: Loren & Donna Schmitz
HC 78, Box 6
Regina, NM 87046
Phone: (505) 289-3458

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first set forth above.

GRANTOR:

GRANTOR:

Loren Schmitz
Loren M. Schmitz

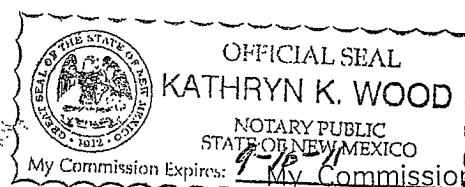
Donna J Schmitz
Donna J. Schmitz

STATE OF NEW MEXICO)

COUNTY OF Rio Arriba) SS:
)

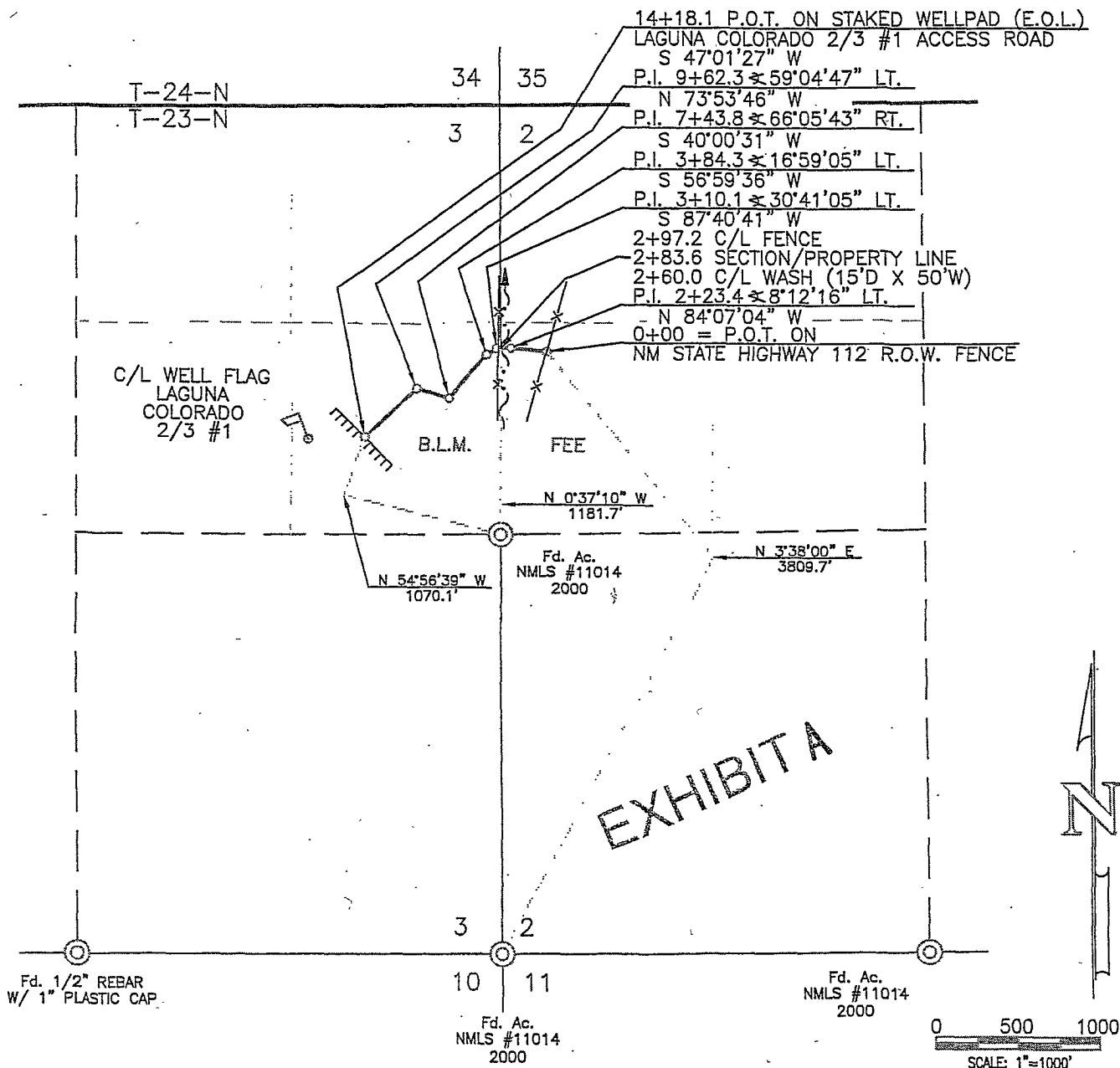
The foregoing instrument was acknowledged before me this 10th day of October, 2007 by Loren M. Schmitz and Donna J. Schmitz. Witness my hand and official seal.

Kathryn K Wood
Notary Public



My Commission Expires: 9-15-11
Notary's Address: 37 Verano Loop, Santa Fe, NM 87508

U.S. ENERCORP, LTD.
LAGUNA COLORADO 2/3 #1 ACCESS ROAD
 NW/4 SEC. 2, & THE NE/4 SEC. 3, T-23-N, R-01-W, N.M.P.M.,
 RIO ARriba COUNTY, NEW MEXICO



NOTES:

1. BASIS OF BEARING: MONUMENTED EAST LINE OF THE SE/4 OF SECTION 3, T-23-N, R-1-W, N.M.P.M., RIO ARriba CO., NM. BEARS: N 0°36'40" W

OWNER	STATION	FEET/RODS
FEE	0+00 TO 2+83.6	283.6/17.19
B.L.M.	2+83.6 TO 14+18.1	1134.5/68.76

U.S. ENERCORP, LTD.
SAN ANTONIO, TEXAS

SURVEYED: 7/17/07	REV. DATE:	APP. BY R.L.P.
DRAWN BY: H.S.	DATE DRAWN: 7/26/07	FILE NAME: 7603R01



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