Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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. NMNM-108021 |
|----|-----------------------------------|
| 6. | If Indian, Allottee or Tribe Name |
| | NIA |

FORM APPROVED

| SUBMIT IN TR | 7. If Unit or CA/Agreement, Name and/or No | | | | | |
|--|---|---|---|--------------|--------------------------------------|--|
| 1. Type of Well Oil Well□ □ | 8. Well Name and No. LAGUNA COLORADO 2/3 #1 9. API Well No. | | | | | |
| 2. Name of Operator U. S. ENERG | | | | | | |
| 3a. Address P. O. BOX 17098, SAN ANTO | 3b. Phone No. (include area code) 210 829 4888 | | 30-039-30272 10. Field and Pool, or Exploratory Area | | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | | W. PUERTO CHIQUITO MANCOS | |
| SHL: 3250' FSL & 1220' FEL | | 11. County or Parish, State | | | | |
| • | | | | RIO A | RRIBA COUNTY, NM | |
| 12. CHECK A | PPROPRIATE BOX(ES) TO | INDICATE NATUR | E OF NOTICE, R | EPORT, O | R OTHER DATA | |
| TYPE OF SUBMISSION | PE OF ACTION | | | | | |
| Notice of Intent Subsequent Report Final Abandonment Notice | Acidize Alter Casing Casing Repair Change Plans Convert to Injection | Deepen Fracture Treat New Construction Plug and Abandon Plug Back | Production (Stan Reclamation Recomplete Temporarily Ab Water Disposal | · | Water Shut-Off Well Integrity Other | |
| 13 Describe Proposed or Complete | ad Operation (clearly state all pert | inent details including esti | mated starting date of ar | v proposed w | ork and approximate duration thereof | |

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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 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.)

As discussed today between Troy Salyers (BLM) & Roy Hefley (U. S. Enercorp), will set intermediate 7-5/8" casing at 6,100 instead of 5,600'. Will change 2 stage cement volumes accordingly.

RCVD NOV 19'07 OIL CONS. DIV. DIST. 3

cc: BLM, Rodriguez

| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) | | | , | | | | | |
|---|-----------------|------------|--------------------|--|--|--|--|--|
| BRIAN WOOD (PHONE 505 466-8120) | Title CONSULTAN | Ϋ́T | (FAX 505 466-9682) | | | | | |
| Signature PA Jan | Date | 11/13/2007 | | | | | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | | | | |
| Approved by Troy L Salyers | Title PE | . ' | Date 11115107 | | | | | |
| Conditions of approval, if any, are attached. Approval of this notice does not warra certify that the applicant holds legal or equitable title to those rights in the subject le 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 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.