

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

| | | |
|---|--|---|
| 1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5 Lease Serial No NM 021124 |
| 2 Name of Operator Great Western Drilling Company | | 6 If Indian, Allottee or Tribe Name RCVD MAR 10 '08 |
| 3a Address c/o Walsh Engineering & Prod 7415 E. Main, Farmington, NM, 87402 | 3b Phone No. (include area code) 505-327-4892 | 7 If Unit or CA/Agreement, Name and/or N OIL CONS. DIV. DIST. 3 |
| 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 1690' FNL and 990' FWL, Sec. 17, T31N, R12W | | 8 Well Name and No Newberry Federal #1E |
| | | 9 API Well No. 30-045-34532 |
| | | 10 Field and Pool, or Exploratory Area Basin Dakota |
| | | 11 County or Parish, State San Juan |

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 type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other _____ |
| | <input checked="" 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 Operations (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 shall 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 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.)

Great Western Drilling intends to extend the 8-3/4" intermediate hole from the previously planned setting depth in the formation down to a setting depth of ~ 4,320 ft (~ 200 below Menefee top) due to high probability of Cliffhouse formatio too "wet" to air drill. 7", 20# and 23# casing will be set at a depth of ~ 4,320 ft (23# will be utilized below 4,000'). The casing will be cemented as follows: Lead: 512 sx (1,054 cu.ft.) of type 5 w/ 2% sodium metasilicate, 5#/s of gilsonite & 1/4#/sx of celloflake (yield: 2.06 cu.ft./sx, wt: 12.5 ppg). Tail w/ 200 sx (246 cu.ft) 5#/sk of gilsonite & 1/4 of celloflake (yield: 1.23 cu.ft., wt: 15.6 ppg). Figure 100% excess to circulate cement to surface. Note: cement slurr may vary depending upon which vendor will provide cement.

14. I hereby certify that the foregoing is true and correct

| | |
|--|-------------------------|
| Name (Printed/Typed) John C. Thompson | Title Engineer/Agent |
| Signature | Date March 6, 2008 |

THIS SPACE FOR FEDERAL OR STATE USE

| | | |
|--|---------------------|----------------|
| Approved by | Title Petr. Eng. | Date 3/6/08 |
| 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 |

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NMOCDB