Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED

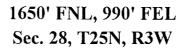
Budget Bureau No. 1004-0135

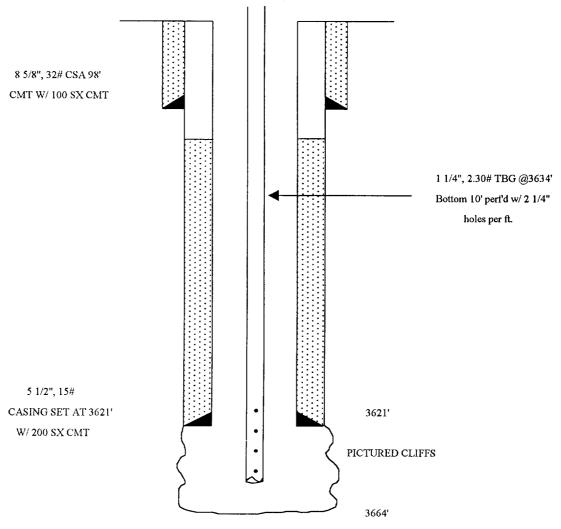
Expires: March 31, 1993

5. Lease Designation and Serial No. NMSF080536

| SUNDRY NOTICES AND REPORTS ON WELLS | | | | 6. If Indian, Allottee or Tribe Name | |
|---|---|---|--|--------------------------------------|--|
| Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. | | | | | |
| Use "APPLICATION FOR PERMIT" for such proposals | | | | N/A | |
| SUBMIT IN TRIPLICATE 1. Type of Well Oil Well Well Other | | | 7. If Unit or CA, Agreement Designation N/A 8. Well Name and No. | | |
| 2. Name of Operator | | | | fall No. 1 | |
| Redwolf Production, Inc. | | | 9. API Well No | | |
| 3. Address and Telephone No. | | | 30-039-05823 | | |
| P.O. Box 5382, Farmington, NM 87499 (505)326-4125 | | | 10. Field and Pool, or Exploratory Area | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | Blanco P.C. South (Pictured Cliffs) | | |
| 1650' FNL & 990' FEL | | | 11. County or Parish, State | | |
| Section 28, T25N-R3W | | | Rio Ar | riba County, NM | |
| 12. CHECK APPROPRIATE BOX(s) T | O INDICATE NATURE O | F NOTICE, REPORT, OR OTHER D. | ATA | | |
| TYPE OF SUBMISSION TYPE OF ACTION | | | | | |
| Subsequent Report Final Abandonment Notice 13. Describe Proposed or Completed Operations (Clearly proposed work. If well is directionally drilled, give swork.)* Redwolf Production, Inc. proposes to plug and 1. Set cement retainer at 3571'. Sting int 2. Place 100' cement plug (14 sx) from 28 3. Place 100' cement plug (14 sx) from 1 4. Place 100' cement plug (14 sx) from 85 5. Place 150' cement plug (21sx) from 15 | Recon Plugg Casing Alteri Other state all pertinent details, an ubsurface locations and meas abandon the subject we or retainer and squeeze I 850' to 2950'. 750' to 1850'. | d give pertinent dates, including estimate ured and true vertical depths for all marke Il as follows: | Completion or Red date of starting any | | |
| 6. Erect dry hole marker and reclaim loca | | | | | |
| 14. I hereby certify that the foregoing is true and correct Signed Wave Wellearth | Title | Vice-President | Date | 7-May-02 | |
| (This space for Federal or State office) Approved by /s/ David R. Sit Conditions of approval, if any: | zlef Title | Lands and Mineral | Resources Date | MAY 2 2 2007 | |

HALL #1

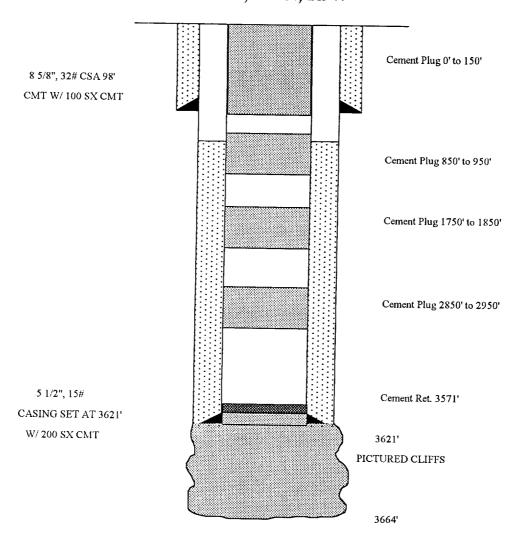




Current wellbore Configuration

HALL #1

1650' FNL, 990' FEL Sec. 28, T25N, R3W



Proposed Plugged Wellbore

CONDITIONS OF APPROVAL FOR PERMANENT ABANDONMENT

Operator Redwolf Production Inc Well Name Hall #1

- 1. Plugging operations authorized are subject to the "General Requirements for Permanent Abandonment of Wells on Federal Leases."
- 2. For wells on Federal leases, Al Yepa with the Cuba Field Office is to be notified at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 289-3748. Office hours are 7:45 a.m. to 4:30 p.m.

For wells on Jicarilla leases notify Bryce Hammond with the Jicarilla Apache Tribe at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 759-1783 ext. 31.

- 3. Blowout prevention equipment is required.
- 4. The following modifications to your plugging program are to be made:

Surface Plug: The annular space must be filled with cement to a depth of at least 50 feet.

BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work should be submitted with a Sundry Notice. Questions? Call Pat Hester at (505) 761-8786.

- 1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location. Non-retrieved flowlines and pipelines will be abandoned in accordance with State Rule 714. Information supporting the non-retrieval will be included in the subsequent report or final abandonment Sundry Notice.
- 2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils can be remediated on-site according to these guidelines or disposed of in a an approved facility.
- 3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped/disked to a minimum of 12" in depth before reseeding.
- 4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to deter vehicle travel. Access will be ripped to a minimum of 12" in depth, water barred and reseeded. All erosion problems created by the development must be corrected prior to acceptance of release. Water bars should be spaced as shown below along the fall line of the slope:

| % Slope | Spacing Interval |
|------------------|------------------|
| Less than 20% | 200' |
| 2 to 5 % | 150' |
| 6 to 9 % | 100' |
| 10 to 15 % | 50' |
| Greater than 15% | 30' |

- 5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required). Seed mix must be certified weed free to avoid the introduction of noxious weeds. Refer to the original APD for seed mix.
- 6. Notify Surface Managing Agency seven (7) days prior to seeding so that they may be present to witness.
- 7. The period of liability under the bond of record will not be terminated until the well is inspected and the surface rehabilitation approved.

Other Surface Managing Agencies (SMA's) may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us. On private land, a letter from the fee owner stating that the surface restoration is satisfactory will be provided to the office. Questions? Call Pat Hester at (505) 761-8786.