

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.
NMLC029512C

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

DAKOTA RESOURCES INCORPORATED

Contact: JOE B JONES

Email: jbj@dakotares.com

8. Well Name and No.
FEDERAL 01

9. API Well No.

30-025-08463-00-S1

3a. Address

4912 NORTH MIDKIFF ROAD
MIDLAND, TX 79705

3b. Phone No. (include area code)

Ph: 432.697.3420
Fx: 432.697.340010. Field and Pool, or Exploratory
TEAS

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

Sec 18 T20S R34E NWSE 1980FSL 1980FEL
32.571317 N Lat, 103.597530 W Lon

11. County or Parish, and State

LEA 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 checked="" 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 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 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.)

Estimated Start time: 8/1/2015

TIH with 6-3/4" bit and use a reverse unit to deepen well from PBTD at 3444' to 3650'.
Run open hole logs to determine production potential between 3504' and 3545'.
Run 4-1/2" casing to 3650' and cement in place, TOC at surface.
Based on open hole log results perf and fracture stimulate the 3504'-3545' zone.
Set CBP at 3490', perf and fracture stimulate zone from 3350' - 3440'.
Drill out CBP, flow down well, run production tbg, rods, pump, and put back online producing.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Electronic Submission #315138 verified by the BLM Well Information System

For DAKOTA RESOURCES INCORPORATED, sent to the Hobbs

Committed to AFMSS for processing by LINDA JIMENEZ on 09/02/2015 (15LJ1889SE)

Name (Printed/Typed) JOE B JONES

Title OPERATIONS MANAGER

Signature (Electronic Submission)

Date 09/01/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By CHARLES NIMMER

Title PETROLEUM ENGINEER

Date 10/13/2015

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 Hobbs

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

**Federal 1 (Sparger 1)
30-025-08463
Dakota Resource Inc
October 13, 2015
Conditions of Approval**

Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.

Work to be completed by January 13, 2016.

- 1. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15.**
- 2. 4 ½" production casing cement is to be circulated to surface. Operator is to provide method of verification.**
- 3. Must conduct a casing integrity test before perforating and fracturing on 4 ½" casing. Submit results to BLM. The CIT is to be performed per onshore order #2 III.B.1.h. Notify BLM if test fails**
- 4. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.**
- 5. Surface disturbance beyond the originally approved pad must have prior approval.**
- 6. Closed loop system required.**
- 7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 8. Operator to have H2S monitoring equipment on location.**
- 9. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (5M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**

10. Subsequent sundry required detailing work done. Operator to include well bore schematic of current well condition when work is complete.

CLN 101315