

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOV 05 2008

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 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 page 2.

1. Type of Well

☐ Oil Well

☐ Gas Well

☒ Other

SWD

2. Name of Operator

CHESTNUT PETROLEUM INC ✓

3a. Address

2201 N CENTRAL EXPY STE 240
RICHARDSON, TX 75080

3b. Phone No. (include area code)

972-612-7200

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

NW/4 NE/4
of Section 27, T-20-S, R-34-E ✓

5. Lease Serial No.
NMNM082

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
D & E Federal #2 ✓

9. API Well No.
30-025-02448 ✓

10. Field and Pool or Exploratory Area
42370 Lynch Yates / 7 River
SWD ✓

11. Country or Parish, State
Lea County, NM ✓

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other <u>Transfer Operations</u>
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Effective 9/1/08, SLOAN PETROLEUM INC will transfer operations of the above referenced well to a new operator. CHESTNUT PETROLEUM INC certifies that it is authorized by the proper lease interest owners to conduct operations associated with this lease.

Previous Operator:

Accepted by:

Name: Laurea Tidwell
Title: Attorney In Fact

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

DEL SLOAN

Title

PRESIDENT

Signature

Date

8/13/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

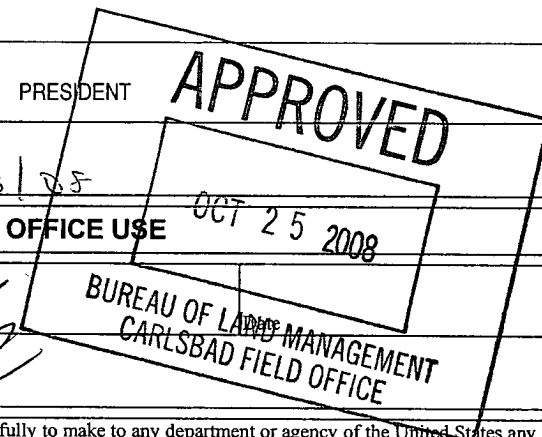
Title

Office

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.

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)



225-13