

February 9, 2005

Mr. David Brooks Oil Conservation Division 1220 S. Saint Francis Drive Santa Fe, NM 87505

Re: SWR Operating wells

Dear Mr. Brooks:

Attached are copies of the Operator's Copy of Forms 3160-5 approved by the Bureau of Land Management on February 8, 2005 on the following unplugged wells in Eddy County, New Mexico:

#1 Featherstone, Sec. 5, T-19-S, R-31-E, Unit H;
#1 Featherstone, Sec. 5, T-19-S, R-31-E, Unit K;
#2 Featherstone, Sec. 5, T-19-S, R-31-E, Unit A;
#4 Featherstone, Sec. 5, T-19-S, R-31-E, Unit J; and
#1 Y Donnelly Pan American, Sec. 5, T-19S, R-31-E, Unit G.

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For your further information, on 2/2/05 the first 155 barrels of oil was sold from the #4 Featherstone.

Yours truly,

Glen L. Houston

Enclosure

cc: Mr. Paul Slayton, Slayton Resources, Inc. Mr. Doug Hurl, Occidnetal Petroleum, Ltd.

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	OPERATOR'				5. Lease Serie	FORM APPROVED OM B No. 1004-0137 Expires: March 31, 200 al No.	$\mathbb{P}^{n}$
SUNDRY NOTIC	ES AND REP	ORTS OF	I WEL	Ľs	LC 0694	033	
Do not use this form abandoned well. Use	for proposals to	drill or t	o re-er	nter an	6. If Indian	, Allottee or Tribe Na	DC
SUBMIT IN TRIPLICA	TE- Other instru	uctions on	revers	se side.	7. If Unit or	CA/Agreement, Nan	e and/or No.
· Type of Well Oil Well Gas Wel	ll 🗍 Other			· · · · ·	8. Well Nat	<i>(</i> )	
Name of Operator TOM R. CONE					9. API We	HERSTONE NO.#	1
A Address 1304 WEST BROADWAY PLACE H	OBBS N.M.	3b. Phone No 505-393-0		area code)	300150 10. Field an	5737 d Pool, or Exploratory	Area
Location of Well (Footage, Sec., T., R., M., o	r Survey Description)				L	ART (Y.SR.Q.G.)	
2310' FNL & 330' FEL SEC. 5, T 195,	R 31 Ē				11. County	or Parish, State	
		_		<u>,</u>	1	NEW MWXICO	
12. CHECK APPROPRI	ATE BOX(ES) TO	INDICATE			EPORT, OR	OTHER DATA	
TYPE OF SUBMISSION	···· ··· ··· ··· ···		ТҮР	E OF ACTION	<u>.</u>		·
Notice of Intent	idize	Deepen Fracture Tr		Production (St	art/Resume)	Water Shut-Off Well Integrity	
	sing Repair L ange Plans				<b>-</b>	Oper	
Einel Abundanment Marine	ange raas	Plug and A Plug Back	bandon	Water Disposal			
	r recomplete horizontally	y, give subsurfa	ce location	nated starting date of a is and measured and tr	ie vertical depti	hs of all pertinent mark	ters and zones
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(Instructions on page 2)

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SLAY ION RESOURCES, INC. and PAUL SLAYTON, whose address is P.O. Box 2035, Roswell, NM 88202, for valuable consideration, quitclaims to RICKY L. HOUSTON, whose address is P.O. Box 454, Hobbs, New Mexico 88241, all of their working interests, operating rights and interest in the lands and oil and gas leases, and equipment located in Eddy County, New Mexico, more particularly described as follows:

#1 Featherstone, Sec. 5, T-19-S, R-31-E, Unit H;
#1 Featherstone, Sec. 5, T-19-S, R-31-E, Unit K;
#2 Featherstone, Sec. 5, T-19-S, R-31-E, Unit A; and
#4 Featherstone, Sec. 5, T-19-S, R-31-E, Unit J.

without warranty,

WITNESS our hand and seal this 20th day of October, 2004

) ss.

PAUL SLAYTON RESOURCES, INC. and PAUL SLAYTON

Paul Slayton, individually and as President of Slayton Resources, Inc.

STATE OF NEW MEXICO)

COUNTY OF CHAVES)

SUBSCRIBED, SWORN TO and ACKNOWLEDGED before me this Courses October, 2004 by Paul Slayton, individually, and as President and on behalf of Supton Resource Inc.

My commission expires:

Notary Publi

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n Article and an article and

### Run Date: 10/26/04 Page 1 of 1

#### BUREAU OF LAND MANAGEMENT

#### BOND ABSTRACT

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#### BLM BOND NO: NM2196 DOCUMENT ID: 19-0130-10162-93-6 CASE TYPE: 310434 O&G BOND ALL LANDS

#### DISPOSITION: ACCEPTED

#### NAME AND ADDRESS OF BOND PARTIES

B86052296 BONDED PRINCIPAL CONE TOM R PO BOX 778 JAY OK 74346 S84001590001 SURETY UNITED STATES FIDELITY AND GUARANTY COMPANY 385 WASHINGTON ST SAINT PAUL MN 55102

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#### SERIAL NUMBER(s):

NMLC 0034711, NMLC 0059954, NMLC 0064158, NMNM 015019, NMNM 017775, NMNM 0024881

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BOND AREA: TYPE OF LAN BOND TYPE:	D: FEDERAL-A		COVERED: NM MOUNT\$25,000	
BONDED ACT	IVITY/PURPOS	E COMMOI	DITY(IES)	
GENERAL LS	E/DRILLING	OIL & GA	AS L	
	ACTION DATE	ACTION TAKEN	ACTION REMARKS	PENDING
468	06/23/1993	BOND FILED		NM94364
469	06/25/1993	BOND ACCEPTED	EFF 06/23/1993	
974	06/25/1993	AUTOMATED RECORD VERIF	BCO/JCV	
974	01/20/2003	AUTOMATED RECORD VERIF	KAT	
472	05/16/2003	BOND TERMINATION ROSTD		NM93000
152	06/17/2003	REPORT REQUESTED		
153	10/10/2003	REPORT RECEIVED		
476	10/14/2003	BOND TERMINATION DENIED	NM060,NM070 DENIED	
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#### **GENERAL REMARKS**

LINE # REMARK

Form 3160-5 (April 2004)	UNITED STATI DEPARTMENT OF TH BUREAU OF LAND MA	E INTER <b>IOBE</b>	ATOR'S	S COPY	PORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007 5. Lease Serial No.		
	NDRY NOTICES AND RE		/ELLS	ļ	LC 069033		
Do not abando	use this form for proposals and well. Use Form 3160-3	to drill or to r (APD) for such	e-enter an proposais.	n	6. If Indian, Allottee or Tribe Name		
	IN TRIPLICATE- Other ins	structions on re	/erse side	9.	7. If Unit or CA/Agreement, Name and/or No.		
1. Type of Well Oil Well	Gas Well Other				8. Well Name and No.		
2. Name of Operator TON	M R. CONE	Ľ.			FEATHERSTONE NO.# 2 9. API Well No.		
3a. Address		3b. Phone No. (in	hude area code	e)	9. API wen No. 3001505740		
1304 WEST BROAD	WAY PLACE HOBBS N.M.	505-393-0567			10. Field and Pool, or Exploratory Area		
•	age, Sec., T., R., M., or Survey Description	z)		-	SHUGART (Y.SR.Q.G.) 11. County or Parish, State		
990' FPAL & 330' FE	L SEC. 5, T 19S, R 31 E				EDDY, NEW MWXICO		
	ECK APPROPRIATE BOX(ES) T				SPOKI, OK OTHER DATA		
TYPE OF SUBMISS		<u> </u>	TYPE OF A				
Notice of Intent	Acidize	L Deepen Fracture Treat		oduction (Star clamation	t/Resume) Water Shut-Off Well Integrity		
Subsequent Report	Casing Repair	New Construct		complete	Other CHANGE IN		
Final Abandonment	Change Plans	Plug and Aband	- MTe	mporarily Ab	andon OPERATOR		
				ацоваау ло			
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<ul> <li>13: Describe Proposed of If the proposal is to d Attach the Bond und following completion testing has been comdetermined that the s CHANGE IN O CONE 1304 WI</li> <li>14. Thereby certify the Name (Printed/TRICK Signature Printed/TRICK)</li> </ul>	at the foregoing is true and correct y Convert to Injection The Completed Operation (clearly state all per- leepen directionally or recomplete horizoni the which the work will be performed or pro- n of the involved operations. If the operati- ipleted. Final Abandonment Notices shall in- inte is ready for final inspection.) PPERATOR FROM SOUTHWSTEST BROAD PLACE HOBBS N. BOND NO. NM 2196 NEW OPE At the foregoing is true and correct (yped) L HOUSTON	Phug Back atinent details, including tally, give subsurface lo ovide the Bond No. on ion results in a multiple of be filed only after all rea T ROYALTIES IN M. 88240 ERATOR NO. 1885 Titi Da	Wa estimated star ations and me file with BLM completion or r purcements, inc C . PO BOX El E E E E E E E E E E E E E E E E E E	ater Disposal rting date of an asured and trus /BIA. Require recompletion in sluding reclams & 11390 MIII FFECTIVE BURE BURE F	y proposed work and approximate duration there e vertical depths of all pertinent markers and zon d subsequent reports shall be filed within 30 day is a new interval, a Form 3160-4 shall be filed on ation, have been completed, and the operator bas DLAND TEXAS 79702 TO TOM R. OCT 20 2004 APPROVED FEB 8 2005 LINDA A. ASKWIG AU OF LAND MANAGEMENT ROSWELL FIELD OFFICE 0/20/2004 USE		
<ul> <li>13: Describe Proposed of If the proposal is to d Attach the Bond und following completion testing has been com determined that the s CHANGE IN O CONE 1304 WI</li> <li>14. I hereby certify the Name (Printed/T RICK Signature Printed/T)</li> </ul>	at the foregoing is true and correct y Convert to Injection The Completed Operation (clearly state all per- leepen directionally or recomplete horizoni the which the work will be performed or pro- n of the involved operations. If the operati- ipleted. Final Abandonment Notices shall in- inte is ready for final inspection.) PPERATOR FROM SOUTHWSTEST BROAD PLACE HOBBS N. BOND NO. NM 2196 NEW OPE At the foregoing is true and correct (yped) L HOUSTON	Phug Back rtinent details, including tally, give subsurface lo ovide the Bond No. on ion results in a multiple o be filed only after all rea T ROYALTIES IN M. 88240 ERATOR NO. 1885 Tit Da R FEDERAL O	wa estimated star ations and me file with BLM completion or r purements, inc C. PO BOX EI C. PO BOX	ater Disposal rting date of an asured and trus /BIA. Require recompletion in sluding reclams & 11390 MIII FFECTIVE BURE BURE F	y proposed work and approximate duration there e vertical depths of all pertinent markers and zon d subsequent reports shall be filed within 30 day is a new interval, a Form 3160-4 shall be filed on ation, have been completed, and the operator has DLAND TEXAS 79702 TO TOM R. OCT 20 2004 APPROVED FEB 8 2005 LINDA A. ASKWIG AU OF LAND MANAGEMENT ROSWELL FIELD OFFICE		

(Instructions on page 2)

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SLAYTON RESOURCES, INC. and PAUL SLAYTON, whose address is P.O. Box 2035, Roswell, NM 88202, for valuable consideration, quitclaims to RICKY L. HOUSTON, whose address is P.O. Box 454, Hobbs, New Mexico 88241, all of their working interests, operating rights and interest in the lands and oil and gas leases, and equipment located in Eddy County, New Mexico, more particularly described as follows:

#1 Featherstone, Sec. 5, T-19-S, R-31-E, Unit H;
#1 Featherstone, Sec. 5, T-19-S, R-31-E, Unit K;
#2 Featherstone, Sec. 5, T-19-S, R-31-E, Unit A; and
#4 Featherstone, Sec. 5, T-19-S, R-31-E, Unit J.

without warranty.

WITNESS our hand and seal this 20<sup>th</sup> day of October, 2004

) ss.

SEAYTON RESOURCES. INC. and

PAUL SLAYTON

Paul Slayton, individually and as President of Slayton Resources, Inc.

STATE OF NEW MEXICO)

COUNTY OF CHAVES)

SUBSCRIBED, SWORN TO and ACKNOWLEDGED before me this October, 2004 by Paul Slayton, individually, and as President and on behalf of Stayton Resources Inc.

My commission expires:

Notary Pub.

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#### BUREAU OF LAND MANAGEMENT

#### BOND ABSTRACT

#### BLM BOND NO: NM2196 DOCUMENT ID: 19-0130-10162-93-6 CASE TYPE: 310434 O&G BOND ALL LANDS

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**DISPOSITION: ACCEPTED** 

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Run Date: 10/26/04

Page 1 of 1

#### NAME AND ADDRESS OF BOND PARTIES

B86052296 BONDED PRINCIPAL CONE TOM R PO BOX 778 JAY OK 74346

S84001590001 SURETY UNITED STATES FIDELITY AND **GUARANTY COMPANY** 385 WASHINGTON ST SAINT PAUL MN 55102

#### SERIAL NUMBER(s):

-- x + - + <sup>+</sup>

NMLC 0034711, NMLC 0059954, NMLC 0064158, NMNM 015019, NMNM 017775, NMNM 0024881

.

BOND AREA: STATEWIDE TYPE OF LAND: FEDERAL-ALL RIGHTS BOND TYPE: SURETY	STATES COVERED: NM BOND AMOUNT\$25,000
BONDED ACTIVITY/PURPOSE	

### GENERAL LSE/DRILLING

OIL & GAS L

	ACTION DATE	ACTION TAKEN	ACTION REMARKS	PENDING
468	06/23/1993	BOND FILED		NM94364
469	06/25/1993	BOND ACCEPTED	EFF 06/23/1993	
974	06/25/1993	AUTOMATED RECORD VERIF	BCO/JCV	
974	01/20/2003	AUTOMATED RECORD VERIF	КАТ	
472	05/16/2003	BOND TERMINATION RQSTD		NM93000
152	06/17/2003	REPORT REQUESTED		
153	10/10/2003	REPORT RECEIVED		
476	10/14/2003	BOND TERMINATION DENIED	NM060,NM070 DENIED	

#### **GENERAL REMARKS**

LINE # REMARK

Minimized       Provide Status in the status i		N 1 N 1 1 1 1 1 1 1 1 1	· ,	· 4 E		
SUNDERY NOTCEES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3169-3 (APD) for such proposals.  SUBMIT IN TRIPLICATE-Other Instructions on reverse side.  Trype Of Quetter To the CONE  SUBMIT IN TRIPLICATE-Other Instructions on reverse side.  Trype Of ACM and Cone A constraints of the constrai		DEPARTMENT OF THE	<b>IOHERATOR</b>	SCOPY		<u>کر</u> ۳
Do not use this form for propositis to drift or to re-enter an abandonce well. Use Form 3769-3 (APD) for such proposals.     SUBMIT IN TRIPLICATE-Other Instructions on reverse side.     Trye Cip Claimed Control of the Conternation of		BUREAU OF LAND MAN	AGEMENT			
Subartini INTERPEICANCE Confer Instructions On Powers's store.      Type (P)	Do not use	this form for proposals t	o drill or to re-	enter an		ame
Nitice of Operator TOM R. CONE     Address     Ad		RIPLICATE- Other inst	ructions on reve	rse side.	7. If Unit or CA/Agreement, Na	me and
2. Netle of Uperator TOM R. CONE 3. Address 3. Address 3. Phase No. (Include area code) 3. Phase N						 # 1
IAG WEST BROADWAY PLACE HOBES N.M.       Set-399-4547       10. Field and Pool, or Exploratory Are Set-399-4547         1. Location of Well (Fourage, Sec. 7, E, M, dr. Sarvey Description)       1316 FSL & -307 FSL SEC. 5, T 195, R 31 E       10. Field and Pool, or Exploratory Are Set-399-4547         1. Location of Well (Fourage, Sec. 7, E, M, dr. Sarvey Description)       1316 FSL & -307 FSL SEC. 5, T 195, R 31 E       10. Field and Pool, or Exploratory Are Set. 397 FSL & -307 FSL SEC. 5, T 195, R 31 E         1. Control of FSL Sec. 5, T 195, R 31 E       10. Field and Pool, or Exploratory Are Set. 397 FSL & -307 FSL Sec. 5, T 195, R 31 E       10. Control of SUBMISSION       10. Control of Pool         1. Control of SUBMISSION       12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT; OR OTHER DATA       10. Control of Pool       Wear Star-Off         1. Notice of latent       Addres       10. Cating Rapti       Description (Start/Resame)       Wear Star-Off         1. Subsequent Root       Conge Plans       Plag Back       Reclamation       Description (Back Start)         1. Description Proposed to Complete Operation (chartly state all peritorn description in the Neuron Start)       Description of the start in the oracia and start in the oracia	2. Name of Operator TOM R. C	ONE				
2310 FSL & A-80F FEL SEC. 5, T1SE, R31E         2310 FSL & A-80F FEL SEC. 5, T1SE, R31E         2310 FSL & A-80F FEL SEC. 5, T1SE, R31E         12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION         Acidize       Deepen         Notice of latest         Onter Change Report         Change Report         Change Report         Change Plane         Plag Back         The proposal is to deepe directionally or recomplete backing sciented daming date of any proposal work and approximate daming the production of activation or plag Back         3. Describe Proposed or Completed Operation (dearly date all performed proposition of the involved operations. If the operation results in anultypic completion or recomplete bind while field within failed withing relamination and proposal work and approximate daming the origin proposal work and approximate daming the origin or results in a nultypic completion or recomplete bind within failed withing relamination are also an unlight completion or recomplete in an are without abscedue to result approximate daming relamination and the origin or relation and the origin or relation or recomplete in all hondromone Notice data bind and and the origin or relation or recomplete in all hondromone Notice data bind and and the origin or relation or recomplete in an anultypic completion or recomplete in all hondromone Notice data bind and a relation or recomplete in an analypic completion or recomplete in an area within a multiple completion or recomplete in all hondromone Notice data bind and and thone or relation or recomplete in an aready for final inspection.)		PLACE HOBBS N.M.		le area code)		гу Агег
EDDY, NEW MWXICO  I.2. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  I.2. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  Acidat  Acidat Acidat  Acidat  Acidat Acidat Acidat Acidat Acidat Acidat Acidat Aci	4. Location of Well (Footage, Se	c., T., R., M., or Survey Description)	<u> </u>	<u>_</u>		
TYPE OF SUBMESSION       TYPE OF ACTION         Notice of latent       Acidize       Deepen       Production (Star/Resume)       Water Shau-Off         Subsequent Ropot       Casing Repair       New Construction       Reclamation       OPERATO         Final Abandomment Notice       Complete       Operation       Operation       Operation       Operation         13. Describe Proposed or Completed Operation (clearly state all pertinent dealls, including estimated starting date of any proposed work and approximate data if the proposal is to deepe a directionally or recomplete barticetally, give subartifies locations and messared all purposed in the away data of any proposed work and approximate data if the proposal is to deepen directionally or recomplete barticetally, give subartifies locations and messared and the vertical depths of all pertinent matrices a Americ the Bood user which the work will be performed or provide the Bood No. on the with BUMBLA Required Subsequent proorts stalls find within following completion of the unvited operations. If the operation results in a multiple completion or recompleted on the operation deal the sits is ready for final inspection.)         CHANCE IN OPERATOR FROM SOUTTRYST ROYALITES INC. PO BOX 11390 MIDLAND TEXAS 79702 TO TOM CONE 1304 WEST BROAD PLACE HOBBIS NM . 88240         BURC L HOUSTON       FEB       8 2005         NEW OPERATOR READ       FROM SOUTTRYST ROYALITES INC. PO BOX 11390 MIDLAND TEXAS 79702 TO TOM CONE 1304 WEST BROAD PLACE HOBBIS NM . 88240         BUREAU OF LAND MANAGEMENT       BUREAU OF LAND MANAGEMENT         NEW OPERATOR READ <th>2310' FSL &amp; -330' FIZL SE</th> <td>C. 5, T 19S, R 31 E</td> <td></td> <td></td> <td></td> <td>J</td>	2310' FSL & -330' FIZL SE	C. 5, T 19S, R 31 E				J
Notice of Intent       Arter Casing       Production (Start/Resume)       Water Shut-Off         Subsequent Report       Casing Repair       New Construction       Reconnucles       Offer CHANGE I         Final Abandon       Canvert to Injection       Phy and Abandon       Despress       Offer CHANGE I         13. Describe Proposed or Completed Operation (clearly state all perticent desils, including estimated starting date of any proposed work and approximate duration       Differ CHANGE I       OPERATO         13. Describe Proposed or Completed Operation (clearly state all perticent desils, including estimated starting date of any proposed work and approximate duration       Temporarity Abandon       OPERATO         14. proposal is to deepen directionally or recomplete horizonally, give substrine's conducts and move which dependence Notice shall be file douby after all requirements, including redamation, have been completion of the involved operations.       CHANGE IN OPERATOR       From SOUTIWEST ROYALTIES INC. PO BOX 11390 MIDLAND TEXAS 79702 TO TOM CONE 1394 WEST BROAD PLACE HOBBS NM. 88240         EAGL DE FOR PERTOR       NEW OPERATOR NO. 18852       EFFECTIVE OCT 20 2004         14. Interchy certify that the foregoing is true and correct Name (Printed/Typed)       NEW OPERATOR NO. 18852       BUREAU OF LAND MAAAGE/MENT         Signature       Induct A ASKWIG       BUREAU OF LAND MAAAGE/MENT       Define         Signature       Induct A Approval of this socie dees not werent or offeremoval, if any, are stabled. Approval of t	12. CHECK	APPROPRIATE BOX(ES) TO	INDICATE NATU	RE OF NOTICE, R	EPORT, OR OTHER DATA	
Notice of latent       After Casing       Preciator Treat       Reclamation       Well integrity         Subsequent Report       Casing Repair       New Construction       Recomplete       Order CHANGE I         Final Abandoement Notice       Campe Plans       Plag and Abandoe       Order CHANGE I         13. Dearbs Proposed or Completed Operation (dearly state all pertinent deal), including estimated starting date of my proposed work and approximate during if the proposal is to deepen directionally or recomplete borizontily, give substrike locations and new and new verticel deptits of all pertinent matters a Anach the Bood notw will be performed or provide the Bood Notw and the verticel deptits of all pertinent matters a Machine and the verticel deptits of all performances. If the operation results in a multiple completion or recompletion in a new interval, a Form 31 604 stall be fit using the been completion. Final Abandoement Notics stall be filed only after all requirements, including reclamation, have toen completed, and the operation (BAUK) and the operation (BAUK) and the operation (BAUK) and the spectrum period on POVALITES INC. PO BOX 11390 MIDLAND TEXAS 79702 TO TOM CONE 1364 WEST BROAD PLACE HOBES NM . 88240         EFFECTIVE OCT 20 2004       EFFECTIVE OCT 20 2004         NM 2 1 7 6       NEW OPERATOR NO. 18852         14. Ihereby certify that the foregoing is true and correct       Name (Printed/Typed)         Name (Printed/Typed)       NEW OPERATOR NO. 18852         14. Ihereby certify that the foregoing is true and correct       Name (Printed/Typed)         Name (Printed/Typed)       NE	TYPE OF SUBMISSION		T	PE OF ACTION		
Charge Plans     Denge Pl	Notice of Intent				Well Integrity	
Image and Abandomment Notice       Intege and Converted Injection       Intege and Converted Injection       Water Disposal         13. Describe Proposed or Completed Operation (clearly state all portions) despite into the despite for the Book Mon. on the Water Disposal       Water Disposal         13. Describe Proposed or Completed Operation (clearly state all portions) despite into the Book Mon. on the write all depths of all performed dampites and measure and true vertical depths of all performed dampites in a nubiple completion or recompletion in a new interval. a Form 31604 shall be for testing insolved. Final Abandomont Notices shall be filed only after all requirements, including reclamation, have been completed, and the open determined that the is in redy for final inspection.)         CHANCE IN OPERATOR       FROM SOUTHWST ROYALITIES INC. PO BOX 11390 MEDLAND TEXAS 79702 TO TOM CONE 1304 WEST BROAD PLACE HOBBS N.M. 88240         EFFECTIVE OCT 20 2004       EFFECTIVE OCT 20 2004         NMM 21/96       NEW OPERATOR NO. 18852         14. Intereby certify that the foregoing is true and correct Name (Printed/Typed)       BUREAU OF LAND MAAAGEMENT BOXALENT No. 18852         14. Intereby certify that the foregoing is true and correct Name (Printed/Typed)       BUREAU OF LAND MAAAGEMENT BOXALENT SUBJECTIVE OCT 20 2004         Signature       FEB S 2005       Interest 10 Jon	Subsequent Report					
If the proposal is to deeped directionally or recomplete borizonality, give subserface locations and measured and true vertical deptits of all pertinent markers a Attach the Boad No. on file with BLMBLA. Required subsequent reports shall be filed only after all required subsequent reports shall be filed only after all requirements, including reclamatice, have been completed. Final Abandrameen Notices shall be filed only after all requirements, including reclamatice, have been completed. Final Abandrameen Notices shall be filed only after all requirements, including reclamatice, have been completed. Final Abandrameen Notices shall be filed only after all requirements, including reclamatice, have been completed and the open determined that the site is ready for final inspection.)  CHANCE IN OPERATOR FROM SOUTHWST ROYALTIES INC. PO BOX 11390 MIDLAND TEXAS 79702 TO TOM CONE 1304 WEST BROAD PLACE HOBBS N.M. 88240 BOND NO. EFFECTIVE OCT 20 2004  NM 2 1 9 0 NEW OPERATOR NO. 18852  I.I.I.BA A ASKWIG I.I.I.I.I.I.I.I.I.I.I.I.I.I.I.I.I.I.I	Final Abandonment Notice					(AIU)
14. I hereby certify that the foregoing is true and correct Name (PrintedTyped)       LINDA A ASKWIG         14. I hereby certify that the foregoing is true and correct Name (PrintedTyped)       BUREAU OF LAND MANAGEMENT ROSWELL FIELD OFFICE         BUREAU OF LAND MANAGEMENT ROSWELL FIELD OFFICE         Signature         Date         THIS SPACE FOR FEDERAL OR STATE OFFICE USE         Approved by 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       Date         Office         Title 18 USC. Section 1201 and Title 43 USC. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	testing has been completed. determined that the site is re CHANGE IN OPERA CONE 1304 WEST B B4	Final Abandonment Notices shall be ady for final inspection.) TOR FROM SOUTHWST ROAD PLACE HOBBS N.M OND NO.	filed only after all requir ROYALTTES INC . . 88240	rements, including reclary	nzzion, have been completed, and the	e operat
14. Ihereby certify that the foregoing is true and correct Name (Printed/Typed)       LINDA A ASKWIG         14. Ihereby certify that the foregoing is true and correct Name (Printed/Typed)       BUREAU OF LAND MANAGEMENT         RICK L HOUSTON       Title SUPERINTENDENT         Signature       Point Addition         Date       10/20/2004         THIS SPACE FOR FEDERAL OR STATE OFFICE USE         Approved by       Title         Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant bods legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.       Office         Title 18 USC. Section 1001 md 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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.				AP	PROVED	
14. Ihereby certify that the foregoing is true and correct Name (Printed/Typed)       BUREAU OF LAND MANAGEMENT BOSWELL FIELD OFFICE         RICK L HOUSTON         Signature Regulation of the subject lease         Date         THIS SPACE FOR FEDERAL OR STATE OFFICE USE         Approved by         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 IS US.C. Section 1001 and Title 43 US.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.				lo	1	
RICK L HOUSTON       Title       SUPERINTENDENT       I III FIELD UFFICE       I         Signature       Rick L HOUSTON       Date       10/20/2004         THIS SPACE FOR FEDERAL OR STATE OFFICE USE         Approved by       Title       Date         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       Date         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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.       Note of the state of the state of the statements or representations as to any matter within its jurisdiction.	14. Thereby certify that the f	oregoing is true and correct		BUREAU O	F LAND MANAGEMENT	1
Approved by       Title       Date         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       Office         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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.       Any operations	· · · ·		Title	SUPERINTENDENT	(ELL FIELD OFFICE	]
Approved by       Title       Date         Cotaditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant bolds 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 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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.       Office	Signature Rich	1 Homes	Date	1	10/20/2004	
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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		THIS SPACE FOR	FEDERAL OR	STATE OFFICE	USE	
States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	Conditions of approval, if any, a certify that the applicant holds 1 which would entitle the applicant	egal or equitable title to those rights at to conduct operations thereon.	in the subject lease	Office		
	Title 18 U.S.C. Section 1001 and States any false, fictitious or frat	Title 43 U.S.C. Section 1212, make it :	a crime for any person	knowingly and willfully	to make to any department or agen	ncv of∫

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SLAYION RESOURCES, INC. and PAUL SLAYTON, whose address is P.O. Box 2035, Roswell, NM 88202, for valuable consideration, quitelaims to RICKY L. HOUSTON, whose address is P.O. Box 454, Hobbs, New Mexico 88241, all of their working interests, operating rights and interest in the lands and oil and gas leases, and equipment located in Eddy County, New Mexico, more particularly described as follows:

#1 Featherstone, Sec. 5, T-19-S, R-31-E, Unit H;
#1 Featherstone, Sec. 5, T-19-S, R-31-E, Unit K;
#2 Featherstone, Sec. 5, T-19-S, R-31-E, Unit A; and
#4 Featherstone, Sec. 5, T-19-S, R-31-E, Unit J.

without warranty.

WITNESS our hand and seal this 20th day of October, 2004

SLAYTON RESOURCES, INC. and PAUL SLAYTON Paul Slayton, individually and as President of Slayton Resources, Inc. STATE OF NEW MEXICO) ) ss. COUNTY OF CHAVES) SUBSCRIBED, SWORN TO and ACKNOWLEDGED before me this & October, 2004 by Paul Slayton, individually, and as President and on behalf of Stavio Inc. My commission expires: Notary F

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#### BUREAU OF LAND MANAGEMENT

#### BOND ABSTRACT

#### BLM BOND NO: NM2196 DOCUMENT ID: 19-0130-10162-93-6 CASE TYPE: 310434 O&G BOND ALL LANDS

**DISPOSITION: ACCEPTED** 

والمراجع المراجع والمعافلة فتقتوه بمراجع المعادة المعتري والمراجع

Run Date: 10/26/04

Page 1 of 1

#### NAME AND ADDRESS OF BOND PARTIES

10/10/2003

10/14/2003

B86052296 BONDED PRINCIPAL CONE TOM R PO BOX 778 JAY OK 74346 S84001590001 SURETY UNITED STATES FIDELITY AND GUARANTY COMPANY 385 WASHINGTON ST SAINT PAUL MN 55102

#### SERIAL NUMBER(s):

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NMLC 0034711, NMLC 0059954, NMLC 0064158, NMNM 015019, NMNM 017775, NMNM 0024881

REPORT RECEIVED

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BOND AREA: TYPE OF LAN BOND TYPE:	D: FEDERAL-A		COVERED: NM MOUNT\$25,000	
	IVITY/PURPOS		DITY(IES)	
GENERAL LS	E/DRILLING	OIL & G	AS "The "Indiana" Constant of Program of the Constant of the Constant of Program of the Constant of the Consta	1999年,中国中国中国大学的大学生的新闻中国大学的大学生的新闻的"大学生"(1999年),1999年,1999年,1999年,1999年,1999年,1999年,1999年,1999年,1999年,1999年,1999年
	ACTION DATE	ACTION TAKEN	ACTION REMARKS	PENDING
468	06/23/1993	BOND FILED		NM94364
469	06/25/1993	BOND ACCEPTED	EFF 06/23/1993	
974	06/25/1993	AUTOMATED RECORD VERIF	BCO/JCV	
974	01/20/2003	AUTOMATED RECORD VERIF	KAT	
472	05/16/2003	BOND TERMINATION ROSTD		NM93000
152	06/17/2003	REPORT REQUESTED		

## GENERAL REMARKS

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BOND TERMINATION DENIED NM060.NM070 DENIED

LINE # REMARK

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Page 1

I SUNDRY Po not use th	UNITED STATES DEPARTMENT OF THE BUREAU OF LAND MAN NOTICES AND REF is form for proposals t	AGEMENT PORTS ON WI	-enter an	Crowner Provention of the second seco
	ell. Use Form 3160-3 (J	·		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well	Gas Well Other			8. Well Name and No.
2. Name of Operator TOM R. CO	NE .			FEATHERSTONE NO.# 4 9. API Well No.
3a Address 1304 WEST BROADWAY P	LACE HOBBS N.M.	3b. Phone No. (inclu 505-393-0567	de area code)	3001505747 10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec., 2310' FSL & 9210' FEL SEC ンコバ '		L		SHUGART (Y.SR.Q.G.) 11. County or Parish, State EDDY, NEW MWXICO
12. CHECK A	PPROPRIATE BOX(ES) TO	INDICATE NATU	JRE OF NOTICE, R	EPORT, OR OTHER DATA
TYPE OF SUBMISSION		T	YPE OF ACTION	
If the proposal is to deepen due Attach the Bond under which to following completion of the in testing has been completed. Fi determined that the site is read CHANGE IN OPERATO CONE 1304 WEST BRO BON	ectionally or recomplete horizontal he work will be performed or prov- volved operations. If the operation nal Abandonment Notices shall be y for final inspection.) OR FROM SOUTHWST OAD PLACE HOBBS N.M ID NO.	ty, give subsurface locat ide the Bond No. on fill results in a multiple con filed only after all requi ROYALTIES INC	Temporarily Al Water Disposal stimated starting date of a ions and measured and tre with BLM/BIA. Requir mpletion or recompletion i rements, including reclar . PO BOX 11390 MI EFFECTIVE	Well Integrity Other CHANGE IN OPERATOR operators operators eventical depths of all pertinent markers and zones. ed subsequent reports shall be filed within 30 days in a new interval, a Form 3160-4 shall be filed once nation, have been completed, and the operator has DLAND TEXAS 79702 TO TOM R. OCT 20 2004 OCT 20 2004
14. I hereby certify that the for Name (Printed/Typed)	egoing is true and correct		1	LINDA A. ASKWIG I OF LAND MANAGEMENT SWELL FIELD OFFICE
RICK L HOUS	STON	Title	SUPERINTENDENT	DIFLEE LIEED
Signature Rich	L. Howard			10/20/2004
	THIS SPACE FUR			
Approved by Conditions of approval, if any, are certify that the applicant holds legs which would entitle the applicant ( Title 18 U.S.C. Section 1001 and Tit	al or equitable title to those rights to conduct operations thereon.	in the subject lease	Title Office	Date to make to any department or agency of the United
States any false, fictitious or fraudu (Instructions on page 2)	lent statements or representations	as to any matter within	its jurisdiction.	

\$

SLAYION RESOURCES, INC. and PAUL SLAYTON, whose address is P.O. Box 2035, Roswell, NM 88202, for valuable consideration, quitelaims to RICKY L. HOUSTON, whose address is P.O. Box 454, Hobbs, New Mexico 88241, all of their working interests, operating rights and interest in the lands and oil and gas leases, and equipment located in Eddy County, New Mexico, more particularly described as follows:

#1 Featherstone, Sec. 5, T-19-S, R-31-E, Unit H;
#1 Featherstone, Sec. 5, T-19-S, R-31-E, Unit K;
#2 Featherstone, Sec. 5, T-19-S, R-31-E, Unit A; and
#4 Featherstone, Sec. 5, T-19-S, R-31-E, Unit J.

without warranty.

WIINESS our hand and seal this 20th day of October, 2004

) ss.

SLAYTON RESOURCES, INC. and PAUL SLAYTON

Paul Slayton, individually and as President of Slayton Resources, Inc.

STATE OF NEW MEXICO)

COUNTY OF CHAVES)

SUBSCRIBED, SWORN TO and ACKNOWLEDGED before me this Contract of the Starton Resources, October, 2004 by Paul Slayton, individually, and as President and on behalf of Starton Resources, Inc.

My commission expires:

Notary Public

- - - -

:

#### BUREAU OF LAND MANAGEMENT

#### BOND ABSTRACT

#### BLM BOND NO: NM2196 - DOCUMENT ID: 19-0130-10162-93-6 CASE TYPE: 310434 O&G BOND ALL LANDS

#### **DISPOSITION: ACCEPTED**

Run Date: 10/26/04

Page 1 of 1

والمسارين بمسابة بووديمية وترقانون فالدام والماهوين بالما

#### NAME AND ADDRESS OF BOND PARTIES

B86052296 BONDED PRINCIPAL CONE TOM R PO BOX 778 JAY OK 74346

S84001590001 SURETY UNITED STATES FIDELITY AND **GUARANTY COMPANY** 385 WASHINGTON ST SAINT PAUL MN 55102

#### SERIAL NUMBER(s):

NMLC 0034711, NMLC 0059954, NMLC 0064158, NMNM 015019, NMNM 017775, NMNM 0024881

BOND AREA: STATEWIDE TYPE OF LAND: FEDERAL-ALL RIGHTS BOND TYPE: SURETY

STATES COVERED: NM BOND AMOUNT:\$25,000

### BONDED ACTIVITY/PURPOSE

**GENERAL LSE/DRILLING** 

#### COMMODITY(IES) OIL & GAS Ĺ

	ACTION DATE	ACTION TAKEN	ACTION REMARKS	PENDING	•
468	06/23/1993	BOND FILED		NM94364	
469	06/25/1993	BOND ACCEPTED	EFF 06/23/1993		
974	06/25/1993	AUTOMATED RECORD VERIF	BCO/JCV		
974	01/20/2003	AUTOMATED RECORD VERIF	KAT		
472	05/16/2003	BOND TERMINATION ROSTD		NM93000	
152	06/17/2003	REPORT REQUESTED			
153	10/10/2003	REPORT RECEIVED			
476	10/14/2003	BOND TERMINATION DENIED	NM060,NM070 DENIED		

#### **GENERAL REMARKS** \*\*\*\*\*

LINE # REMARK

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						こうし アレン
		OP	ERATOR'S C	6		
Form 3160-5		UNITED STATES				ORM APPROVED
(April 2004)	D	EPARTMENT OF THE			E	DM B No. 1004-0137 spires: March 31, 2007
	B	UREAU OF LAND MAN	AGEMENT		5. Lease Serial I	
	SUNDRY	NOTICES AND REP	PORTS ON WE	LLS	NM09003	-В
(		s form for proposals f			6. If Indian, A	liottee or Tribe Name
	sbandoned we	II. Use Form 3160 - 3 (/	APD) for such pro	oposals.		
		PLICATE- Other inst	ructions on reve	rse side.	7. If Unit or C	A/Agreement, Name and/or No
1. Type of Wel	Öil Weil	Gas Well Other			8. Well Name	
2. Name of Operation	ator TOM R. CON	NE			• DONNE 9. API Weij	TY PAN AMERICAN-
3a Address	<u></u>		3b. Phone No. (includ	e area cade)	3001505	
-	BROADWAY PI	ACE, HOBBS, NM 88240	505-393-0567		10. Field and	Pool, or Exploratory Area
4. Location of W	ell (Footage, Sec., T	., R., M., or Survey Description)	4			RT (Y.SR.Q.G.)
	, .	60' FEL, TS. 19*S, R.31E, E	DDY CO.		11. County or	Parish, State
		. ,			EDOV	EW MEXICO
·····		PROPRIATE BOX(ES) TO				
	UBMISSION			PE OF ACTION	METURI, UK	
		Acidize	· · · · · · · · · · · · · · · · · · ·	<u> </u>		
Notice of I	Intent	Alter Casing		Production (S	itart/Resume)	Water Shut-Off
		Casing Repair	Fracture Treat	Reclamation		Well Integrity
Subsequen	it Report	Change Plans	New Construction Plug and Abandon	Recomplete		OPERATOR
			L YING SHO A DANGON		ADBIIOUTI	
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(Instructions on page 2)

Fecm 3000-3 (February 2002)	UNITED STATES DEPARTMENT OF THE INTERIOR BURBAU OF LAND MANAGEMENT SSIGNIMENT OF RECORD TITLE INTEREST IN A LESSE FOR OLL AND GAS OR GEOTHERMAL RESOURCES Minerel States Act of 1920 (30 U.S.C. 131 as 90.) Act by Augusta Lands of 1947 (30 U.S.C. 1351 as 99.) Geost State States Act of 1970 OF U.S.C. 1351 as 99.) Geost State States Act of 1970 OF U.S.C. 1351 as 99.)	PORM APPROVED 3469 NO. 1004-0034 Expires Options 31, 2004 Lesse Sarial No. NM-09003-B Lasse Effective Date (Antiversy Date) April 1, 1953 New Sector No.
	Type or print plainly in ink and sign in ink.	
27.41 Cay, Su	PART A: ASSIGNMENT Ricky L. Houston P. O. Box 454 M.ZPCom Hobbs, New Mexico 88241	
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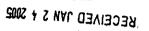
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#### Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional assignmes in Junn No. 1, if needed, or for Land Description in Junn No. 2,



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#### PART B - CERTIFICATION AND REQUEST FOR APPROVAL

The Autigner outlifies as source if an interest in the above designed based that having surges to any country it as interest and a source of the statement of the

to tr b. cherr thanget, Per the nd Reise as all ins St at of NPR-A la of the Unit and surprises. alient a private, Public or sta ----at a minut surface in ( de State in which the lands several by this antigeness are beauty (c) Antigenes's charged in interest, deve and in al hands asymmity in the same State, do not atomic 246,000 more is all and gas haves (af which up to 200,000 anter nd. In such put - الد ط جز بي 1). 6 adjustment from approximately in the start Start, the start district 240,000 more in all and gas hences (of which up to 23 200,000 errors in hences in a such instants (Netrici is Ashinko witholing to 200,000 errors may be in uprison, 17 with the Mineral Leoning Ant of 1930, or 31,200 performing any more Dams if their is a generalized marking ( $\alpha$ ) All pr colournees in a compliance with the regulations (c3 GPR Groups 2100 or 32000) and the antheorism ( $\alpha$ ), ( $\alpha$ ) Ar colournees in a compliance with the regulations (c3 GPR Groups 2100 or 32000) and the antheorism ( $\alpha$ ), ( $\alpha$ ), regularizants for dP Forder all and gas hence holdings or required by one. (Fig) of the Mineral Leoning Ant, ( $\alpha$ ), a, if this is an oil and get lease in A (0) 20 / ()) أمر جبة وشعما الد e Ast

3. Assignant signature to this assignment exactories arrowtimes of all applicable terms, analitizes, adjustations and surplicitizes participing to the loans described herein.

For performed aniguments, an evertflag repulty may not be has due one-fourth (1/4) of one persons of the value of subject, per granter than 30 persons of the value of seyfoldy due to the United States when this anightant is added to all previously sensing overlating repulsion (4) CFR 3341).

I cartify that the statements made howin by me are irred, complete, and correct to the best of my how-ridge and belief and no made in good date.

- 27th ever October 904 <u>"04</u>

Occidental Permian Limited Partnership Charles and a second Ricky L. Houston Stephen 8 Flynn, 0 Box 50250 Dut DAG Midland TΧ 79710 3 (Pass) (2000)

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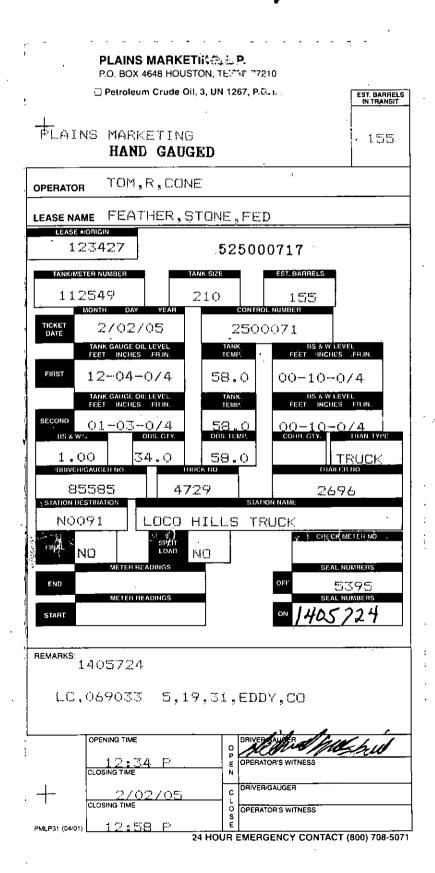
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