

Submit 3 Copies To Appropriate District Office,
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

OCD-ARTESIA

Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

BLM

[REDACTED]
 [REDACTED] DIVISION
 1220 St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. NM070603	
7. Lease Name or Unit Agreement Name Shearn Freedom Federal #2	
8. Well Number 2	
9. OGRID Number 231382	
10. Pool name or Wildcat Empire Yates 7 Rivers	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3486 GR	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
C&D Management Company

3. Address of Operator
513 Don Lyle Road
Edmonton Ky 42129

4. Well Location
Unit Letter A 660 feet from the FNL line and 660 feet from the FEL line
Section 14 Township T17S Range R27E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3486 GR

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Exception</u> <input checked="" type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

No abnormal pressures have been encountered at this depth in this field. We are requesting exception to a blowout preventer.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines a general permit or an (attached) alternative OCD-approved plan

SIGNATURE Darla Jeffries TITLE President DATE 10/26/05
Darla Jeffries E-mail address: cdmanagementcompany@yahoo.com
 Telephone No. 270-565-4629

APPROVED BY: /s/ Joe G. Lara TITLE Acting FIELD MANAGER DATE NOV 30 2005
 Conditions of Approval (if any):

Case 14055 De Novo
 C&D Management Company
 dba Freedom Ventures Company
 OCD Exhibit No. 32

CONDITIONS OF APPROVAL - DRILLING

Well Name & No. 2 - SHEARN FREEDOM FEDERAL
Operator's Name: C&D MANAGEMENT COMPANY
Location: 660' FNL & 660' FEL - SEC 14 - T17S - R27E - EDDY COUNTY
Lease: NM-070603

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:
 - A. Spudding
 - B. Cementing casing: 8-5/8 inch 5-1/2 inch
 - C. BOP tests
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.
4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

1. The 8-5/8 inch surface casing shall be set at 300 feet and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
2. The 5-1/2 inch production casing shall be set at 750 feet and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

III. PRESSURE CONTROL:

1. Well will be drilled with a cable tool rig. An Annular Preventor w/pressure control valve and diverter capable of handling 500 psi MASP (Max Anticipated Surface Pressure) will be required.

ORIG. SIGNATURES