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Form 3160-5 (February 2005)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137 Expires: Match 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

NMNM 41655 6, If Indian, Allottee or Tribe Name

abandoned well. Use Form 3160-3 (A	PD) for such proposals.	
SUBMIT IN TRIPLICATE - Other instructions on page 2.		7. If Unit of CA/Agreement, Name and/or No.
1. Type of Well Oil Well Gas Well Other		8. Well Name and No. SCOTT FEDERAL #001
2. Name of Operator C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES		9. API Well No. 30-016-25437
31, Address 4801 Lang NE #110 Albuquerdue, NM 87109	3b. Phone No. (melude area code) 505-417-1511 814-688-3297	10. Field and Pool of Exploratory Area RED LAKE; QUEEN-GRAYBURG-SA
4. Location of Well (Footings, Sec., T.,R.M., or Survey Description) UNIT LETTER 7-, 5EC 12, 1718, R27E BBB FSL, 880 FEL, EDDY COUNTY, NM		11. Country or Parish, State EDDY COUNTY, NM
12. CHECK THE APPROPRIATE B	OX(ES) TO INDICATE NATURE OF NO	DTICE, REPORT OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
Notice of Intent Acidize Atter Casing		Production (Start/Resume) Water Shut-Off Coulomation Well Integrity
Subsequent Report Change Plans		Cemporarity Abandun
Pinal Abandonment Notice Convert to Injection		Water Diaposal relate of any proposed work and approximate duration thereof.

the proposal is to deepen directionally or recomplists horizontally, give subsurface locations and measured and true vertical depths of all pertinent markets and zones. Attach the Bond under which the work will be performed or provide the Bond Nu. 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 recumpletion in a new interval, a Form 3160-4 must be filed once resting 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.)

3/09 - Call Jim Amos - TAB UP@ 472' - Pump 605x - NO Circ. WOC - TAB@ 263' 4/14/09 - Circulate 30 sx to surface from 263 Install PA Marker - Clean up location

Approved as to plugging of the well bore. Liability under bond is retained until Surface restoration is completed.

2009

hereby certify that the foregold Name (Printed Typed) TIDE AGENT FOR STATE OF NM MARK HOSKINS

JAMES A. AMOS

Date 05/15/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Case 14055 De Novo 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. Office

Title 18 U.S.C. Section 100) and Title 43 U.S.C. Section 1212, make it a crime for my person knowingly and willfully to make to my department or agency of the United States any flatitions of fraudulent statements of representations as to any matter within its jurisdiction

(Instructions on page 2)

Signature

C&D Management Company dba Freedom Ventures Company



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



In Reply Refer To: 1310

Reclamation (Interim/Final) Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land; successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its predisturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of
 Operations must include adequate measures for stabilization and reclamation of disturbed lands.
 Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD
 process as per Onshore Oil and Gas Order No. 1.
- 2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
- 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos Supervisory Environmental Protection Specialist 575-234-5909, 575-361-2648 (Cell)

Terry Gregston Environmental Protection Specialist 575-234-5958

Bobby Ballard Environmental Protection Specialist 575-234-2230

Randy Rust Environmental Protection Specialist 575-234-5943

Linda Denniston Environmental Protection Specialist 575-234-5974

Jennifer Van Curen Environmental Protection Specialist 575-234-5905

Justin Frye Environmental Protection Specialist 575-234-5922 Cody Layton Natural Resource Specialist 575-234-5959

Trishia Bad Bear Natural Resource Specialist 575-393-3612

Todd Suter Surface Protection Specialist 575-234-5987

Doug Hoag Civil Engineering Technician 575-234-5979