Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010

5. Lease Serial No.

NMNM 117544 & NM 116565

6. If Indian, Allottee or Tribe Name

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. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. I. Type of Well 8. Well Name and No. X Oil Well Gas Well Other Peacemaker 25 Fed Com #1H 2. Name of Operator 9. API Well No. Marshall & Winston, Inc. 30-015-38987 3a. Address P. O. Box 50880 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area 432-684-6373 Glorieta/N. Seven Rivers-Yeso Midland, TX 79710-0880 11. Country or Parish, State Location of Well (Footage, Sec., T.R.M., or Survey Description) Sec. 25, T19S, R25E Eddy County, New Mexico Unit M BHL: 330 FSL & 330' FWL 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION X Acidize Water Shut-Off Deepen Production (Start/Resume) Notice of Intent Alter Casing X Fracture Treat Reclamation Well Integrity Casing Repair New Construction Recomplete X Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice 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. the proposal is to deepen directionally or recomplete 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 recompletion 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.) Accepted for record - NMOCD D & 8-15-1\ 05/25/11 TD 4952'. Drilled cmt all the way down to 4898'. PBTD 4898'. 05/31/11 Spot 4000 gal of 7 ½% HCL acid. Press up to 2650# guns fired, pmpd acid in perfs. Pmpd 200 bbls of fresh water to displace acid into formation. 06/01/11 Frac Stage #1 f/ 4440-4890' (44 holes). 06/18/11 Frac Stage #2 f/ 3800-4270' (44 holes). Frac Stage #3 f/ 3110-3620' (44 holes). **Total Stimulation:** 90,804 gal 10# Linear Gel + 479,026 gal 15# BXL + 15,540 gal 15% HCL Acid. Fluid was laden w/ 422,450# 20/40 White Sand. 1st Stage - AIP 2005# @ 67 BPM & MIP 2590# @ 69 BPM, ISIP 1440#. 2nd Stage - AIP 2150# @ 73 BPM & MIP 3490# @ 75 BPM, ISIP 1513#. 3rd Stage - AIP 2081# @ 69 BPM & MIP 4580# @ 76 BPM, ISIP 1542#. BLTR 13,989 (total BF pmpd). RD frac equip. Flowing back. 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Title Engineer Gabe Herrera Signature 07/20/11 THIS SPACE FOR FEDERAL OR STATE OFFICE USE JUU, Approved by Title Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify BUREAU OF LAND MANAGEMENT that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CARLSRAD FIFLD 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 the United States any false

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.