

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

5. Lease Serial No.
NMLC028785A

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. SL FEDERAL 1
2. Name of Operator ALAMO PERMIAN RESOURCES, LLC - Mail: cstoker@alamoresources.com Contact: CARIE A STOKER		9. API Well No. 30-015-26541
3a. Address 415 W. WALL ST. SUITE 500 MIDLAND, TX 79701	3b. Phone No (include area code) Ph: 432-897-0673 Fx: 432-686-8454	10. Field and Pool, or Exploratory GRAYBURG/SAND ANDRES
4. Location of Well (Footage, Sec., T, R, M., or Survey Description) Sec 12 T17S R29E NESW 330FSL 990FWL <i>ULL</i>		11. County or Parish, and State EDDY COUNTY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other

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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

RE-ACTIVATED GAS METER

PLUMBED IN WELL COMPRESSOR TO FRONTIER PIPELINE

PLAN TO ISOLATE AND TEST COMMERCIALITY OF PRODUCING INTERVALS

After 10-21-11 the well must be online or plans to P & A must be submitted.

ACCEPTED FOR RECORD

SEP 30 2011

J. D. R. Littlejohn

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

This Does not meet The Requirements of THE 60 day Letter ATTACHED. IF Requirement are NOT meet well will Be Required to Be Plugged.

14. Thereby certify that the foregoing is true and correct.

Electronic Submission #118685 verified by the BLM Well Information System For ALAMO PERMIAN RESOURCES, LLC, sent to the Carlsbad

Name (Printed/Typed) CARIE A STOKER	Title REGULATORY AFFAIRS COORDINATOR
Signature (Electronic Submission)	Date 09/28/2011

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 holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon	Office

RECEIVED

OCT 03 2011

Accepted for record

NMOCD

NMOCD ARTESIA

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.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To:
NMLC028785A
3107 (P0220)

AUG 23 2011

CERTIFIED—RETURN RECEIPT REQUESTED
7008 3230 0002 0987 4861

Alamo Permian Resources II LLC
415 West Wall Street Suite 500
Midland, TX 79701

Gentlemen:

Our records indicate that production on Federal oil and gas lease NMLC028785A (S L Federal #1; 3001526541) has declined to the point that we have determined that this lease is not capable of production in paying quantities. Because the lease is currently in its extended term by reason of production, it will terminate unless the lease is capable of producing hydrocarbons in paying quantities.

Under 43 CFR 3107.2-2, you are allowed 60 days from receipt of this letter in which to begin reworking or drilling operations to restore production in paying quantities on the leasehold. The lease will not terminate so long as approved operations are commenced within the 60-day period and such operations are continued with reasonable diligence until paying production is restored.

If you believe the lease is capable of production in paying quantities to pay the day-to-day operating costs, including rental and/or minimum royalty on a sustained basis, you must submit justification within 60 days of receipt of his letter.

If a reworking/drilling operation proposal or justification that the wells are capable of production in paying quantities is not submitted within 60 days from receipt of this letter, the lease will automatically terminate. A Notice of Intent to Abandon (NIA) the S L Federal #1, located in the SWSW of sec. 12, T. 17.S, R. 29.E, must be filed within 30 days, starting 60 days after receipt of this letter.

Please direct any questions to Edward G. Fernandez, Petroleum Engineer, at 575-234-2220.

Sincerely,

A handwritten signature in black ink, appearing to read "J. D. Whitlock". The signature is written in a cursive style with a large, sweeping initial "J".

For Don Peterson
Assistant Field Manager,
Lands & Minerals

cc: NM 9210 Team 1