

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

---OCD Artesia

FORM APPROVED
OMB No 1004-0137
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.
NM97136

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Hanley Petroleum, Inc.

3a. Address
415 W. Wall, Suite 1500
Midland, Texas 79701

3b. Phone No. (include area code)
(432) 684-8051

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 31, T-19-S, R-31-E

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

8. Well Name and No.
Adams Federal #1

9. API Well No.
30-015-22613

10. Field and Pool or Exploratory Area
Gatuna Canyon Bone Spring

11. Country or Parish, State
Eddy County, Texas

12. CHECK THE 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"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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. If the proposal is to deepen directionally or recompleat 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 recompleat 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.)

1) Request shut in status-

After unsuccessful testing of the Delaware, returned well to perfs in the Gatuna Canyon Bone Spring Field. Isolated the Delaware perfs Pumping lower perfs under a pkr. Well never came back to previous production levels. In February 2011, well had downhole failure and it was decided to pursue converting well to SWD. Hanley Petroleum, Inc. is requesting shut-in status for this well during the permitting process.

The Bone Springs after testing Delaware drop from making 1-2 bopd and 100-130 mcfpd down to 0 bopd and 20-30 mcf.

*Returned - operator to specify approximate date
well could be returned to beneficial use.
Provide details on downhole failure.
Well is in four string area.*

RECEIVED

FEB 17 2012

NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)

Gary Mulloy

Title Consultant

Signature

G. Mulloy

Date 01/03/2012

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.

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

(Instructions on page 2)