

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM 22616
2. Name of Operator Snow Oil & Gas Inc		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 1277 Andrews, Texas 79714	3b. Phone No (include area code) 432-524-2371	7. If Unit or CA/Agreement, Name and/or No. NMNM 71994
4. Location of Well (Footage, Sec, T, R, M, or Survey Description) 1980' FSL & 660' FEL Section 19, T18S, R25E		8. Well Name and No. Eddy GK State Com 1
		9. API Well No. 30-015- 2283 22283
		10. Field and Pool, or Exploratory Area Penasco Draw; Morrow (Gas)
		11. County or Parish, State Eddy Co., 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"/> 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 checked="" type="checkbox"/> Other SI WELL
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input 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 shall 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 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)

Operator intends to SI well for unkown time period due to high line pressure. Will advise when well is put back on production. Operator will provide periodic 4 flow tests. To be effective upon NMOCD approval.

C-103 sent to NMOCD on same date.

Accepted for record
NMOC

DENIED
See ATTACHED

RECEIVED
APR 16 2012
NMOC ARTESIA

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

Joe Lindemood

Title Agent

Signature

Joe Lindemood

Date

04/10/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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.

Title

Date

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)

**Eddy GK State Com #1
Communitization Agreement NM71994
30-015-22283
Snow Oil and Gas Inc.
April 12, 2012**

Note to operator

This does not answer the question of the letter dated February 15, 2012.

"If you believe the CA is capable of production in paying quantities to pay 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 this letter."

Since justification that the well or CA is capable of production in paying quantities has not been submitted within 60 days from receipt of this letter, the CA will automatically terminate, effective April 23, 2012. A Notice of Intention to plug back and abandon the Morrow formation (NIA) must be filed with NMOCD and the BLM by May 23, 2012.

EGF 4/12/12



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



NM-71994
3105.2 (P02200)

CERTIFIED-RETURN RECEIPT REQUESTED
7008 3230 0002 0987 6261

Snow Oil and Gas Inc.
P.O. Box 1277
Andrews, Texas 79714

FEB 15 2012

Gentlemen:

Communitization Agreement (CA) NMNM71994, which includes leases NMNM22616 became effective October 6, 1977 for a period of two years and so long as communitized substances are or can be produced in paying quantities from the communitized area.

Our records indicate that well Eddy GK State Com No. 1 (30-015-22283), located in NESE of sec. 19, T. 18 S., R. 25 E., Eddy County, New Mexico is not capable of production in paying quantities since April 2004 and has been shut in.

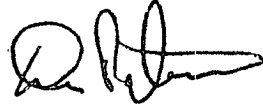
We have determined that this CA is not capable of production in paying quantities. Under 43 CFR 3107.2-2, the CA will not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations are commenced and are conducted with reasonable diligence during the period of nonproduction. You are allowed 60 days from receipt of this letter within which to restore production in paying quantities from the communitized area.

If you believe the CA is capable of production in paying quantities to pay 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 this letter.

If justification that the well is capable of production in paying quantities is not submitted within 60 days from receipt of the this letter, the CA will automatically terminate. A Notice of Intention to Abandon (NIA) must be filed with NMOCDC within 30 days starting 60 days after receipt of this letter. The leases committed to the CA may be eligible for extension in accordance with 43 CFR 3107.4.

If you have any further questions regarding this letter, please contact Edward G Fernandez of this office at phone (575) 234-2220.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Peterson", with a long horizontal stroke extending to the right.

Don Peterson
Assistant Field Manager,
Lands and Minerals

cc:

LLNM(921000)

LLNM(P02200)