

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.
LC-053259-A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Grayburg Jackson PSU MA #2

9. API Well No.
30-015-10531

10. Field and Pool, or Exploratory Area
GB Jackson, 7R-QN-GR-SA

11. County or Parish, State
Eddy County, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Southern Bay Operating, LLC

3a. Address
110 Cypress Station #220 Houston TX 77090

3b. Phone No. (include area code)
281-537-9920

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**Sec. 28, T-17-S, R-30-E
2615' FNL, 2615' FEL**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input checked="" 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 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 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.)

11/14/12 MIRU plugging equipment.

11/15/12 ND Wellhead, NU BOP. POH w/ tbg and packer. RIH open ended to 3122'. Circulated hole w/ mud laden fluid. Spotted 60 sx cement @ 3122-2544. PULL out of cement. WOC.

11/16/12 Tagged plug @ 2496'. POH. Set packer @ 34'. Pressured up on casing. Would not hold pressure. Perf'd csg @ 1400'. RIH and set packer @ 980'. Sqzd 40 sx cement. Displaced cement to 1180'. WOC. RIH and tagged plug @ 1167'. POH to 285'. Perf'd csg @ 620'. Established injection rate. No pressure. Sqz'd 40 sx cement. w/ 1 bag of LCM. Displaced to 450'. WOC.

11/19/12 Tagged plug @ 431'. POH. Perf'd csg @ 170'. Set packer at 34'. Injection rate of 1 bbl/min. @ 600 psi. Sqz'd 40 sx cement to surface. Shut well in w/ 300 psi. WOC. Cement at surface. Riggged down and moved off.

11/20/12 Moved in welder and backhoe. Dug out cellar. Cut off wellhead. Welded on "Ground Level" " Dry Hole Marker". Backfill cellar. Removed deadmen. Clean location, moved off.

RECLAMATION
DUE 5-19-13

RECEIVED
JAN 15 2013
NMOCD ARTESIA

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

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed) **BETH ESTELL** Title **PRODUCTION ANALYST**

Signature *Beth Estell* Date **12/4/12**

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 _____

File No. **JAN 7 2013**

Signature *J. Bonds*

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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

(Instructions on page 2)

At 1/16/2013

Accepted for record
NMOCD

am