

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD ArtesiaFORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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 page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Hanley Petroleum Inc

3a. Address

415 West Wall, Suite 1500, Midland TX 79701

3b. Phone No: (include area code)

432.684.8051

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660 FSL & 2080 FNL
Sec 31, T-19-S, R-31-E

5. Lease Serial No.

NM97136

6. If Indian, Allottee or Tribe Name

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 Bone Spring

11. County or Parish, State

Eddy County, NM

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

TYPE OF SUBMISSION

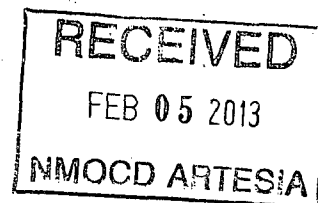
☐ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection

TYPE OF ACTION

☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other Off lease sales and
Measurement

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.)

Request to commingle short load of oil

From: Adams Federal #1 Lease No. NM97136
API No. 30-015-22613660 FSL & 2080 FNL
Sec 31, T-19-S, R-31-E
Eddy Co, New Mexico
Oil Gravity = 37.5 @ 60°To: State 32 #1 Lease No. VA-0641
API No. 30-015-29378660 FNL & 660 FWL
Sec 32, T-19-S, R-31-E
Eddy Co, New Mexico
Oil Gravity = 39.8 @ 60°*Accepted for record*
2/5/13
NMOCDSEE ATTACHED FOR
CONDITIONS OF APPROVAL

This will be a one-time event. The purpose of this request is to sell the oil left in the tanks on the Adams Federal #1 after it was plugged.

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

Brett K. Bracken

Title Vice President/General Manager

Signature

Date 09/07/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

SPET

Date

2/2/13

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

CFO

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)

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Conditions of Approval

**Hanley Petroleum Inc.
Adams Federal #1
Lease NM97136 API-3001522613**

1. Notify BLM 24 Hrs. prior to oil sale, so as to provide time for inspector to witness oil sale. Office 234-5972
2. Oil sale to be conducted as per Onshore Order #4.
3. Submit copy of run ticket if no witness is present.
4. Run ticket for the Adams Fed #1 to be closed prior to loading the State 32 #1.
5. Subject to like approval by NMOCD.