

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL CONSERVATION DIVISION
811 S. FIRST STREET
ARTESIA, NM 88210

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. NMNM 36193
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Scythian, Ltd., a Texas Limited Partnership		8. Well Name and No. Four Mile Draw Federal #003
3a. Address 300 N. Marienfeld, Suite 950 Midland, Texas 79701	3b. Phone No. (include area code) 432-685-3602	9. API Well No. 30-005-62303
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) M-14-06S-22E 660' FSL 660' FWL		10. Field and Pool or Exploratory Area Pecos Slope; Abo, West (Gas)
		11. Country or Parish, State Chaves, New Mexico

12. CHECK THE 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 type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Corrective action
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	to address "Surface
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Exceptions"

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 must 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 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.)

Specific to the BLM's (Roswell Office) Inspection on Scythian, Ltd's Pecos Slope Field:

"Plastic in Pit Area" Exposed (above ground) plastic removed by Scythian's Field Foreman, Chris Smith

RECEIVED
NOV 26 2013
NMOCD ARTESIA

Sundry dated June 3, 2013 DENIED
see attached Written Order

DENIED

BARILEY DAVIS

Accepted for record
CRD NMOCD 11/26/2013

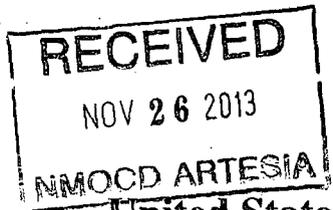
14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Thomas A. Clifton		Title Agent and Attorney-In-Fact for Scythian, Ltd.
Signature <i>Thomas A. Clifton</i>		Date 06/03/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date NOV 25 2013
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	ROSWELL FIELD 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.

Harley copy



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-2019
www.nm.blm.gov



In Reply
Lease Number: NMNM-36193
3160(NMP0130)
Order No. 14HD04WO

NOV 25 2013

CERTIFIED MAIL--RETURN RECEIPT REQUESTED
7010 1870 0002 4542 2241

Scythian, Ltd.
300 N. Marienfeld, Suite 950
Midland, Texas 79701

Accepted for record
NMOCD

NOTICE OF ORDERS OF THE BLM AUTHORIZED OFFICER

Gentlemen:

An inspection was performed on Federal Lease NMNM-36193, Four Mile Draw Fed #003, API # 30-005-62303, 660' FSL & 660' FWL, Section 14, T.06S. R.22E. Chavez County, New Mexico on October 24, 2013 by Oscar Torres, Petroleum Engineer Technician. It was found that the location has not been maintained in a manner designed to protect the mineral resources, other natural resources, and environmental quality (43 CFR 3162.5).

ORDERS OF THE AUTHORIZED OFFICER

Pursuant to Federal Regulation 43 CFR 3162.5-1(b) which states "The operator shall exercise due care and diligence to assure that leasehold operations do not result in undue damage to surface or subsurface resources or surface improvements..." the following environmental compliance problems were identified during the latest inspection of the subject location. Specifically:

• Environmental Problem No. 1: EXPOSED PLASTIC

Corrective Action: Exposed plastic material, used to line pits, shall be removed. The exposed plastic lining, which protrudes above the layer of mud tailings, shall not be buried in the pit and must be properly disposed of at an authorized disposal site. Use the Pecos District Drilling Pit Reclamation Procedure to cap the barren pit area of the location:

1. Remove any woody vegetation or sharp objects that could rupture the liner.
2. Cap the drilling pit area with a 20 mil plastic liner.
3. Bury the outer edges of the plastic liner cap inside a one foot deep trench to prevent

- lateral movement of contents and/or lateral wicking of drilling chemicals.
4. Cover the plastic liner cap with clean caliche or other clean soils that area available on location. This soil cap or stabilization layer must be adequate to stabilize the location if topsoil loss occurs due to wind or water erosion.
 5. Cap the stabilization layer with 1-1.5 feet of soils similar to the surrounding soils. Contour the pit capping layer to resemble the surrounding topography and avoid water ponding above the capped pit.

Report your compliance with this Written Order on a Subsequent Sundry Notice on Form 3160-5 (Sundry Notice and Reports on Wells); original and 5 copies are required. In accordance with 43 CFR 3163.1(a), please comply with the corrective actions for the identified problem no later than **December 16, 2013** after receipt of this Written Order. If you fail to comply within the time frames specified, you will be subject to further enforcement action as may be deemed necessary.

WARNING

Orders of the Authorized Officer or Incidents of Non Compliance and reporting time frames begin upon receipt of the Notice or 30 business days after the date it is mailed, whichever is earlier. Each problem or violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above.

For Incidents of Non Compliance, please note that you already may have been assessed for noncompliance (see amount under "Assessed for Noncompliance"). If you do not comply as noted above under "Corrective Action to Be Completed By," you may incur additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Note: Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting an order of the authorized office or violation must request a State Director Review of the Order or Incident of Noncompliance. This request must be filed within 20 working days of receipt of the Order or Incident of Noncompliance with the appropriate State Director at PO Box 27115, Santa Fe, NM 87502-0115 (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, MS 300-QC, Arlington, Virginia 22203 (see 43CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

If you have any questions concerning our well contact Harley Davis, Natural Resource Specialist at the Roswell Field Office (575-627-0247) hcdavis@blm.gov or Angel Mayes, Assistant Field Manager, Lands and Minerals at the Roswell Field Office (575-627-0250) amayas@blm.gov

Sincerely,

/s/ Angel Mayes

Angel Mayes
Assistant Field Manager,
Lands and Minerals

The lessee of record for oil and gas lease NM-36193 is as follows: Scythian Ltd and Hunt Oil Co.. Under the lease terms if the current operator, Scythian Ltd., is not responsive to this order the lease will be returned to the lessor, and the lessee must place affected wells in condition for suspension or abandonment, reclaim the land as specified by lessor and, within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells.

Enclosure:

1 – Photo (1p)

Cc: Lessee

Hunt Oil Co.
1900 N. Akard St.
Dallas TX 75201