

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 3160-3
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.

OCD-ARTESIA

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator **Biscuit Hills Disposal L.L.C**

3a. Address

PO Box 564 Lovington, NM 88260

3b. Phone No. (include area code)

575-369-6832

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

950 FSL x 1980 FEL Unit Letter "O", Section 29, T17S, R31E
Eddy County, New Mexico

3. Lease

4. If Indian Allottee or Tribe Name

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

8. Well Name and No.

Tracey 29 Federal # 1

9. API Well No.

30-015-28142

10. Field and Pool, or Exploratory Area

Cedar Lake; Morrow

11. County or Parish, State

Eddy, New Mexico

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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Request Extension
	<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.)

Biscuit Hills Disposal LLC has recently acquired the Tracey 29 Federal # 1 from Yeso Energy Inc
Biscuit Hills Disposal is currently in the permitting stages with NMOCD for salt water disposal permit.
We request 120 days to complete the permitting process and convert the well to commercial salt water disposal well.

When SWD permit is approved, Biscuit Hills will file the appropriate BLM paper work for approval for use as commercial salt water disposal.

ACCEPTED FOR RECORD

APR 23 2008

OCD-ARTESIA

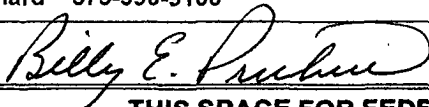
APR 25 2008

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Billy E. Prichard 575-390-9100

Title Agent

Signature



Date 4/10/2008

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)

APPROVED

APR 21 2008

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE