

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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
NMLCO458181A

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No
HASTIE #20

9 API Well No
30-015-23516

10. Field and Pool or Exploratory Area
RED LAKE - GRAYBURG

11. Country or Parish, State
EDDY COUNTY

RECEIVED
DEC - 9 2009
NMLCO ARTESIA

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1 Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2 Name of Operator
C&D MANAGEMENT COMPANY, dba Freedom Ventures OGRID: 231382

3a Address
4801 LANG NE, #110, ALBUQUERQUE, NEW MEXICO 87109

3b. Phone No (include area code)
505-417-1511 oilfreedom@aol.com

4 Location of Well (Footage, Sec., T, R, M, or Survey Description)
D-18-17S-28E 550FNL 580FWL
660 660

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 checked="" 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 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 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.)

NATURAL GAS WELL: not verified

- Hastie #20 produces commercial quantities of natural gas and production is metered on DCP Mainstream Meter #75067-00
- April 9, 2009 the pump jack was activated. Electrical 'Weatherhead' aka 'Can' required replacement.
- Hastie #20 produces natural gas into the gas flow line without the necessity of pump jack.
- Gas production had been encumbered due various factors, including, but not limited to:
 - Improper configuration of gas wells lines and fixtures.
 - As a direct result of the improper configuration fluid was being pumped into the Compressor, thus causing Qunicy Compressor 270 to intially malfunction and eventually become completely disabled.
 - DCP Mainstream natural gas sales pipeline pressure has been about 68psi. Gas well pressure pushed some gas into the sales line, but it was not sufficient to "buck" the psi to transport higher volumes of natural gas into the sales line.
 - DCP Mainstream has been replacing the main gas line on the lease and surrounding areas since late 2008 into 2009. DCP Mainstream has shut down the line on multiple occasions without notice.
- Corrective Actions Taken to Increase Production:
 - Drain all gas well pipelines of fluid;
 - Install replace and values and fixtures;
 - April 15, 2009 Install Rebuilt Qunicy 270 Compressor [Hill Engine]
 - April 22, 2009 Well pipelines connected to Qunicy 270 Compressor. Run 5 Hours. Shut down and recheck entire system and reactivate compressor.
 - April 23, 2009 Entire System Activated. Collective Flow Rate 170mcf. Collective 24 Hour Natural Gas Production: 60mcf. [Revised 4/27/09]

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

Title President

Signature

Date 08/28/2009

ACCEPTED FOR RECORD

DEC 5 2009

Date

WESLEY W INGRAM
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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 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