FORM APPROVED UNITED STATES OMB No. 1004-0137 DEPARTMENT OF THE INTERIOR Expires: July 31, 2010 BUREAU OF LAND MANAGEMENT 5. Lease Serial No. NM 13396 PHOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 8. Well Name and No. Federal CC #1 Oil Well Gas Well **Other** 2. Name of Operator Flair Oil Company 9. API Well No. 30-015-23671 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area 107 Rural RT. 620 S., Box 17F Austin, TX 78734 (512) 261-4546 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 1980 FSL & 990 FEL Sec. 4-T-193-R-24e 11. Country or Parish, State Eddy, N.M. 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Deepen ■ Water Shut-Off Acidize Production (Start/Resume) ✓ Notice of Intent Alter Casing Fracture Treat Well Integrity Reclamation Other Reclamation of Casing Repair **New Construction** Recomplete Subsequent Report P & A location Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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 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.) Preposal for the reclamation of P & A location: 1. The existing vegetation on the location will be bladed off and stockpiled. 2. The top of the closed drilling reserve pit area will be bladed to prepair for liner installation, removed rock will be deep buried over the drilling pit area, a 20 Mil. liner will be installed over the closed O drilling pit area. The liner will be "keyed" into the ground to prevent horizontal chloride migration. 3. The location will be recon-toured to match the surrounding terrain, a min. of three (3') foot of soil will be placed over the 20 Mil. liner, the removed vegetation will then be placed over the top of the recon-toured location. The recon-toured location will then be reseeded using the recommended BLM seed mixture for the area. 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Title Talon/LPE Project Manager

Mike Stubblefield

Title Talon/LPE Project Manager

Date 08/03/2010

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 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.