OCD-ARTESIA FORM APPROVED UNITED STATES OMB No 1004-0137 DEPARTMENT OF THE INTERIOR Expires July 31, 2010 UREAU OF LAND MANAGEMENT 5 Lease Serial No LC - 070286 PRY NOTICES AND REPORTS ON WELLS 6 If Indian, Allottee or Tribe Name Do not 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 Oil Well Gas Well Other Federal #2 2 Name of Operator Hudson Oil Company of Texas 9 API Well No 30-015-04719 3b Phone No (include area code) 10 Field and Pool or Exploratory Area 3a Address 616 Texas Street Fort Worth, Texas 76102 Dos Hermanos/Yates/Seven Rivers 817-336-7109 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 11 Country or Parish, State Eddy County, New Mexico 1980' FNL & 660' FWL, Unit E, Sec 33, Township 20 South, Range 30 East 12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off ✓ Notice of Intent Fracture Treat Reclamation Well Integrity Alter Casing Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Convert to Injection Plug Back Water Disposal Final Abandonment Notice 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) This well was drilled to a TD of 1624' 8 625" 24 # surface casing was set @ 823' and cemented with 745 sacks of cement 7" 20 # production casing was set @ 1590' and cemented with 750 sacks of cement We hereby request permission to Set a CIBP @ ~ 1580', run a MIT, and if the well passes, be granted TEMPORARY ABANDONMENT status for one year while we evaluate the economics of continuing to produce the well DENIED: Submit for approval of proposed water disposal method. Place well on Accepted for record production or submit plans to Plug and abandon by 9/7/2010 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) E Randall Hudson III Title Vice President 08/27/2010 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by /s/ JD Whitlock Jr 9/2/10

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

Office

attached Approval of this notice does not warrant or certify

licant holds legal or equitable title to those rights in the subject lease which would

entitle the applicant to conduct operations thereon