

N.M. Oil Cons. DIV-Dist. 2

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

RECEIVED
SEP 07 2010

NMOCD ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1301 W. Grand Avenue
Artesia, NM 88210

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.

Lease Serial No.
NMNM07306

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
JAM Oil, LLC

3a. Address
PO Box 1382
Artesia, NM 88211

3b. Phone No. (include area code)
5757461154

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

8. Well Name and No.
Leonard Fed 4

9. API Well No.
30000500076

10. Field and Pool or Exploratory Area

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
W/2 SW4 Sec 26, S/2 NE4 NE1/4, E/2 SE1/4 Sec 27 E/2 Sec 34, E/2 less NW1/4 NE1/4, W/2 W/2 Sec 35-T10S- R25E

11. Country or Parish, State
Chaves, NM

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 <u>surface commingling</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>and off lease storage</u>
	<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 recompleate 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 recompleation 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.)

JAM Oil respectfully request your approval for off lease storage and commingling. Attached is a map Green=shows existing flowlines and tank batteries on the lease. Red=shows proposed flowlines. Blue=shows existing line that will be used to transport all oil and H2O from the Mohawk, Dekalb & Leonard leases to the Mary Ann Cannon Facility. This well makes approximately 1.57 BOPD-.03 BWPD. Well test will be conducted monthly by producing each well for a 24 hr. period into a portable tank calculating the volume by color cut and shake out. Doing this and multiplying by the number of days produced each month. All oil produced from same zone and equal gravity so we see no effect on reduced royalties. One of the main reasons for this proposal is to help minimize the problems associated with this low gravity crude (heavy bottoms, high corrosion on the lifting equipment down hole and storage facilities). I am sure everyone involved is aware of the sporadic history over the past years, this proposal will help eliminate the long wait to fill a tank to marketable levels. Royalty Rates: Mary ann Cannon .75%, Dekalb .764, Leonard .74, Mohawk .76.

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

Title President

Signature

Amanda Johnson

Date 07/04/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

AUG 25 2010
ROSWELL FIELD 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.

Office

Title 18 U.S.C. Section 1001 and Title 48 U.S.C. Section 1212a 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)

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Accepted for record
NMOCD *JD*

Sec 22
Mohawk

Sec 27

DeKalb

Leonard

Elliot

Sec 26

Mary Ann
Cannon

**Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287
(575) 627-0272**

**Off-Lease Measurement, Storage, and Surface Commingling
Conditions Of Approval**

1. This agency will be notified of any change in your sales method or location of the sales meter.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. Contact the BLM Roswell Field Office at least 24 hours prior to the commencing any monthly well test. For wells in Chaves and Roosevelt County, during office hours call (575) 627-0205 or after office hours call (575) 420-2832. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.
7. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to the BLM Roswell Field Office at 2909 West Second Street, Roswell, New Mexico 88201-1287 for wells in Chaves or Roosevelt County if you have not already done so.

D. J.