

OCD-ARTESIA

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1 Type of Well ☐ Oil Well ☐ ☒ Gas Well ☐ Other2 Name of Operator **Finley Resources, Inc.**3a Address
1308 Lake Street, Ste. 200, Fort Worth, Texas 761023b Phone No. (include area code)
817-231-67354. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660 FNL & 1980 FWL of Sec. 1-22S-27E

5 Lease Serial No

NM 15870

6 If Indian, Allottee or Tribe Name

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

NM 71918

8 Well Name and No

Pecos Federal #1

9 API Well No

30-015-21048

10 Field and Pool, or Exploratory Area

Carlsbad; Wolfcamp, East

11. County or Parish, State

Eddy Co., NM

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 Above ground
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	commingle
	<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 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 shall 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 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.)

Finley Resources is requesting to commingle gas production from this well:

Nix Yates #1 (API# 30-015-21113; 2-22S-27E) into Pecos Federal #1 sales meter #02927 located Sec. 1-22S-27E. Gas production will be metered after individual well separation, before it is commingled.

The Nix Yates #1 and the Pecos Federal #1, have a dedicated surface facility with requisite separators, line heaters, production units, storage tanks and gas meters. Oil/condensate and water from these leases will not be commingled.

Gas from this well is separately continuously metered before being commingled into a common gas gathering system.

SEE ATTACHED Guidelines

NIX YATES IS NOT A FEDERAL WELL

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

April Wilkerson

Title Reg Analyst

Signature

Date

09/24/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

DENIED by JD Whitlock Jr

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)

DD 10-18-18

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Guidelines for Off-Lease Measurement,
Storage and Surface Commingling Approvals**

At a minimum the following information must be included with any application to combine, store or measure production off-lease:

1. A formal request (Sundry Notice Form 3160-5 or letter) for approval to combine, store, or measure production off-lease with an appropriate explanation and diagram(s) describing the proposed operation in detail.
2. A map showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling, off-lease measurement, and/or storage facility. All lease numbers, unitized or communitized areas, producing zones or pools must be clearly illustrated or detailed by suitable means. Any wells or leases proposed to be added to an approved commingling and off-lease storage and or measurement facility must be approved by the Authorized Officer prior to their being included in the facility.
3. An updated facility diagram which clearly identifies and places all equipment that will be utilized. This diagram should identify all sales points and give location of gas sales (transfer point) meter if it is not at this facility. Include gas sales meter station name or number.
4. Estimated monthly production from each contributing well, including type of product, gravity, and/or BTU content.
5. Details of the proposed method for measuring and allocating production for each lease involved. Include calculated "beneficial use" volumes both on and off-lease.
6. A statement that all interest owners have been notified of the proposal.
7. Evidence that Federal or Indian royalties will not be reduced through approval of the application, and the proposed commingling of production is in the interest of conservation and will not result in improper measurement of production.
8. Detailed economic justification, when the application to combine production is based on economic necessity, i.e., that approval is necessary to extend the economic life of the Federal or Indian Lease(s). Commingling with State or Fee wells will be on a very limited basis and will have to prove this is the only economical way to keep that well/lease from being plugged.

Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.

_____ (Operator's Name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s):

Federal Lease No. _____

<u>Well Name</u>	<u>API No.</u>	<u>Loc: ¼ ¼ Sec.Twp.Rng.</u>	<u>Formation</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
4-Deep Pockets 16 Federal	30015xxxxx	SWSW,Sec.15,T16S,R30E	Delaware	12	45.2/@60°	102	1315

With hydrocarbon production from:

Federal Lease No. _____

<u>Well Name</u>	<u>API No.</u>	<u>Loc: ¼ ¼ Sec.Twp.Rng.</u>	<u>Formation</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
4-Deep Pockets 16 Federal	30015xxxxx	SWSW,Sec.15,T16S,R30E	Delaware	12	45.2/@60°	102	1315

The storage and measuring facility is located at _____ ¼, Sec. _____, T _____ S, R _____ E, on Lease No. _____, Lea/Eddy (circle one), New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources are as follows: