

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
P.O. Box 2200, Ft Worth, TX 761133b. Phone No. (include area code)
817-336-1924

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**6
690 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 719188. Well Name and No.
Pecos Federal #19. API Well No.
31-025-2104810. Field and Pool, or Exploratory Area
Carlsbad Wolfcamp11. County or Parish, State
Eddy, New Mexico

12. CHECK 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 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 commingled gas sales	
	<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 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.)

The application is to bring gas from the offsetting (non-blm) well called the Nix Yates #1 (api 31-025-21113) onto the Pecos Federal Lease. Both gas streams will be separately measured. After measurement, the gas will be commingle and sold into Enterprise. The purpose of this change is to get clean gas to commingle with the Pecos Federal Gas and dilute the H₂s content of the Pecos Federal gas to meet pipeline specifications. Attempts at treating the gas have been unsuccessful and the flow of gas has been curtailed because of the gas quality issue. Blending this gas will allow full flow from the Pecos Federal and with separate metering, the well will be credited with its proportionate share of gas revenue. The Nix Yates well will benefit from a system with lower line pressure.

The current gas volumes are Nix Yates #1 - 100 mcfpd (btu 1244) and the Pecos Federal #1 - 37 mcfpd (will try to increase to 50 mcfpd) (btu 1217). attached are 1) an area map - 2) a local pipeline map from Enterprise showing their meter numbers - 3) plat layout. All meters will be total flow meters. Owners have been notified. The ability to produce the Pecos Federal #1 will open up the chance for increased production.

*SEE Denied NOI Dated 10/9/10**NIX YATES #1 is NOT A Federal well*14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**Robert B. Howell**Title **Western Operations Manager**

Signature

Robert B. Howell

Date

11/09/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DENIED /s/ JD Whitlock
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

CPE7

Date

12/14/10

Office

CFO

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.

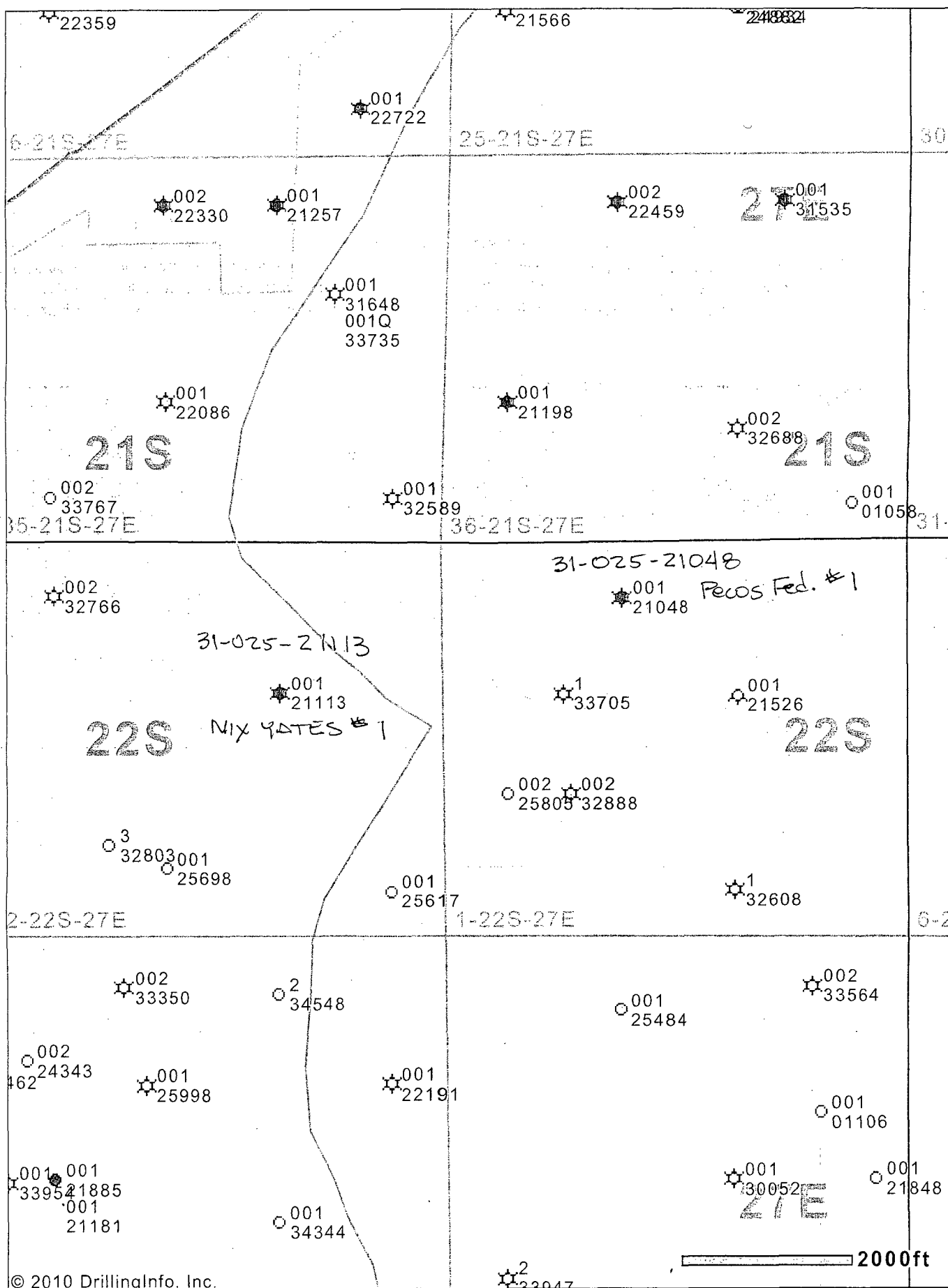
(Instructions on page 2)

RECEIVED

DEC 16 2010

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Pecos Federal #1

660 FNL - 1980 FWL Sec 1 22S-27E
Eddy County, NM
Lease NO. NM 158070
CA NO NM 71918

