

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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.

| | |
|---|------------------------|
| FORM APPROVED Budget Bureau No. 1004-0137 Expires: March 31, 2007 | |
| 5. Lease Serial No. | NMNM 08277 |
| 6. If Indian, Allottee or Tribe Name | |
| 7. If Unit or CA, Agreement, Name and/or No. | |
| 8. Well Name and No. | See attached list |
| 9. API Well No. | - See attached list |
| 10. Field and Pool, or Exploratory Area | SALADAR; YATES |
| 11. County or Parish, State | Eddy, NM |

| | |
|--|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> INJECTION | |
| 2. Name of Operator Agua Sucia LLC | |
| 3a. Address 14605 South Memorial Drive, Bixby OK 74008 | 3b. Phone No. (include area code) 575-392-3575 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec. 33, T20S, R28E | |

12. CHECK APPROPRIATE BOX(s) 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 |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Progress on Conditions of Approval |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | <i>Incomplete</i> |

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 recompletable 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 recompletable 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.)

As required by Conditions of Approval:

1. All injection lines have been tested to 3000# with no problems.
2. All flowlines were tested to 150# (SDR-11 poly pipe maximum allowed pressure). Replaced bad spots in flowline.
3. Buried all electric lines.
4. Overhead powerline has been staked and a right-of-way request will be submitted.
5. Tanks were moved off location. Soiled areas were removed and hauled to CRI for proper disposal. Location was leveled. New 40 mil. liner was placed under tanks.
6. Ground structures and equipment have been painted Shale Green (5Y 4/2).
7. Berm has been built around tank battery and barbed wire fence has been installed around battery.

| | | |
|---|--|-----------------|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Debbie McKelvey | | Title Agent |
| Signature <i>Debbie McKelvey</i> | | Date 12/29/2010 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | |

ACCEPTED FOR RECORD
FEB 9 2011
/s/ JD Whitlock Jr

| | | |
|---|--------|--|
| Approved by | Title | BUREAU OF LAND MANAGEMENT CARLSBAD 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 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 and false, Fictitious or fraudulent statements or representations as to any matter within its jurisdiction | | |

RECEIVED
FEB 15 2011
OCD-ARTESIA

Lease NM 08277

SE/4NW/4, NE/4SW/4, and S/2SW/4 of Section 33, Township 20 South, Range 28 East,
N.M.P.M.

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|------------------|-----------------|
| Saladar Well #3 | API# 3001502447 |
| Saladar Well #4 | API# 3001502446 |
| Saladar Well #5 | API# 3001502444 |
| Saladar Well #6 | API# 3001502448 |
| Saladar Well #7 | API# 3001510468 |
| Saladar Well #8 | API# 3001502449 |
| Saladar Well #12 | API# 3001524179 |
| Saladar Well #13 | API# 3001524180 |
| Saladar Well #14 | API# 3001524181 |