

HOBBS OCD

OCD-HOBBS

Form 3160-5
(August 2007)

MAY 14 2012

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COPY

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

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 page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

JAY MANAGEMENT CO., LLC

3a. Address

2425 WEST LOOP SOUTH - STE 810; HOUSTON, TX 77027

3b. Phone No. (include area code)

713 / 456 - 7892 Ext 309

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

1980' FSL & 1980' FEL Unit "J", SEC 17, T-11S, R-33E

5. Lease Serial No.

NMNM 072477

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

DOLLY #1

9. API Well No.

30-025-22370

10. Field and Pool or Exploratory Area

BAGLEY PERMO PENN NORTH

11. Country or Parish, State

LEA

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☒ Production (Start/Resume)

☐ Reclamation

☒ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 recompleat 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 recompleat 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.)

1. This well is a rod pumped well, located in the field referenced above. Production has declined to a point where continued operations are marginal.
2. Jay Managements' current plans are to enter the well, re-log it with a cased hole reservoir performance log, and test the any remaining productive intervals within those currently opened or the non-perforated Wolfcamp Section.
3. The anticipated start date of this work in late May, 2012 after completion of the Andover Federal (previously approved).

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

RON GILBREATH

Title

SENIOR STAFF ENGINEER

Signature

Ron Gilbreath

Date

02 - MAY - 2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

9 2012

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

MAY 15 2012

Dolly 1
30-025-22370
Jay Management Co., LLC
May 9, 2012
Conditions of Approval

- 1. Surface disturbance beyond the originally approved pad shall have prior approval.**
- 2. Closed loop system required.**
- 3. Operator to have H2S monitoring equipment on location.**
- 4. A minimum of a 3,000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
- 5. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on location during fracturing operations or any other crew intensive operations.**
- 6. Operator shall be mindful of the requirements in the 60 day letter requiring diligent work to reestablish production in paying quantities. By submitting the proposals for both the Andover and Dolly wells, the lease will not automatically terminate, but could still terminate pending lack of diligence.**
- 7. Operator shall commence work on the well no later than May 31, 2012.**

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