

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OGD Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240
JUN 14 2012
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 ☐ Other

2 Name of Operator
EOR Operating Company

3a Address
200 N. Loraine, Suite 1440 Midland, TX 79701

3b Phone No. (include area code)
432-687-0303

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

NENE Sec. 29, T8S-R35E, NMPM, Roosevelt Co., NM

5 Lease Serial No

NMNM-0145685

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No.

Horton Federal #28

9 API-Well No

3004110122

10 Field and Pool, or Exploratory Area

Milnesand - San Andres

11 County or Parish, State

Roosevelt Co., NM

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 checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<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.)

EOR OPERATING COMPANY HEREBY SUBMITS A "FINAL ABANDONMENT NOTICE" FOR THE SUBJECT WELL. INCLUDED IS A LETTER EXECUTED BY THE SURFACE OWNER ACCEPTING THE CURRENT CONDITION OF THE P&A WELL PAD AND ROAD.

Horton #28
ref. W.O. 12TBS11W
FAN dated 3/24/2011 Denied.
Resubmit after power poles have been removed,
prior to 1 December 2012.

DENIED

25 May 2011
B. Skaggs
Environmental
Protection Specialist

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

Tony Krakauskas, CPL

Title Land Manager

Signature

Tony Krakauskas

Date

03/24/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

ROOSEVELT FIELD OFFICE

Title 18 USC Section 1001 and Title 43 USC 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)

JUN 18 2012



200 N. Loraine, Suite 1440
Midland, TX 79701
(432) 697-0303 office
(432) 687-0321 fax

April 1, 2011

The Nature Conservancy
c/o Ms. Tish McDaniel
#1 Pueblo Pt.
Clovis, NM 88101

RE: Surface Reclamation Agreement w/ Surface Owner

Milnesand SA Unit #28, API #3004110151, SWSW Section 20, T8S-R35E, NMPM 3-07

Milnesand SA Unit #210, API #3004110153, NWSW Section 20, T8S-R35E, NMPM 6-06

Horton Federal #28, API #3004110122, NENE Section 29, T8S-R35E, NMPM 3-03

Horton Federal #30, API #3004110130, NESW Section 29, T8S-R35E, NMPM 6-45
Roosevelt Co., NM

Dear Tish:

The Bureau of Land Management ("BLM") has been promoting the Restore New Mexico ("RNM") Initiative, which focuses on restoring grasslands and riparian areas to a healthy and productive condition. Surface disturbances from historic oil and gas operations – from a period when there were not any requirements for surface reclamation – are being repaired, thereby defragmenting (consolidating) wildlife habitat to benefit the Lesser Prairie Chicken, Sand Dune Lizard and other grassland-dependent species. The Initiative is being achieved by working with cooperative partners such as the New Mexico State Land Office, New Mexico Department of Game and Fish, private land owners, BLM grazing allottees and the oil and gas industry.

During the BLM review process of potential RNM projects, they have determined that some of these historic wells that were plugged and abandoned years ago are located on lands that have privately owned surface with federal owned minerals. Recent field inspections of the captioned well(s), well pads(s) and road(s) on your property by BLM field inspectors have indicated prior reclamation efforts do not meet today's more stringent standards. Current standards call for well pads and associated roads be reclaimed by removing the caliche, any related oil field infrastructure, re-contouring the site to match the surrounding landscape and re-seeding with native seed mix prescribed by the BLM. In addition, in-active overhead power poles and power lines are to be removed when the associated oil field activities are no longer in effect. Based on the BLM field inspections, EOR Operating Company, as current operator, has been instructed to comply with the revised reclamation standards.

April 1, 2011

As the private surface owner, you have indicated that you prefer NOT to have the caliche removed from the well pad(s) and road(s). In regard to in-active power poles and power lines, we have determined that the primary and secondary power lines which provided electrical power to the well(s) are owned by and the responsibility of Roosevelt County Electric Cooperative, Inc.. They have indicated that the power lines are still active and will remain in place for present and future use.

Before the BLM can proceed with acceptance of reclamation by the operator, it is necessary to confirm that you are either: i) satisfied with the current surface condition, or, ii) require the BLM to order the operator to remove the caliche from the well pad(s) and road(s). Should you choose to keep the well pad(s) and road(s) with caliche intact, the BLM requires that they have written confirmation to that effect. Upon your acceptance of the current surface condition, the un-reclaimed areas become your responsibility thereby relieving EOR Operating Company and the BLM of any further surface reclamation.

Please indicate your choice on the attached statement and return one original in the enclosed envelope at your earliest convenience. I may be contacted at my Roswell, NM office at (575) 625-5503 should you have any questions or concerns.

Sincerely,



Tony Krakauskas, CPL
Land Manger
Enhanced Oil Resources, Inc.
P.O. Box 3539
Roswell, NM 88202-3539
(575) 625-5503 office
(575) 626-9915 cell

April 1, 2011

Please initial the appropriate statement below, sign, date and return to EOR Operating Company in the return envelope.

☒ I am satisfied with the current condition of the well pad(s) and road(s) on the Milnesand SA Unit #28, API #3004110151, SWSW Section 20, T8S-R35E, NMPM; Milnesand SA Unit #210, API #3004110153, NWSW Section 20, T8S-R35E, NMPM; Horton Federal #28, API #3004110122, NENE Section 29, 8S-R35E, NMPM & Horton Federal #30, API #3004110130, NESW Section 29, T8S-R35E, NMPM, Roosevelt Co., NM. The caliche on the well pad(s) and road(s) shall remain intact with no further action necessary. I agree to accept full responsibility for these well pad(s) and road(s) and hereby release EOR Operating Company and the Bureau of Land Management from any further surface reclamation.

☐ I hereby authorize the BLM to proceed with enforcing surface reclamation as described herein.

Surface Owner

By: Tish McDaniel

Tish McDaniel, Coordinator for
The Nature Conservancy

Date: 10-10-11