Form 3160-5 (March 2012)

UNITED STATES DEPARTMENT OF THE INTERIOR BUILDEAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED OMB No 1004-0137 Expires October 31, 2014

BUREAU OF LAND MANAGEMENT			5 Lease Serial No NMNM67111		
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.			6. If Indian, Allottee N/A	6. If Indian, Allottee or Tribe Name N/A	
SUBMIT IN TRIPLICATE – Other instructions on page 2.			7. If Unit of CA/Agre	eement, Name and/or No.	
1. Type of Well Oil Well Gas W	L JUL 2 7 20,2	8 Well Name and No GERONIMO FEDE). RAL #9		
2. Name of Operator WAGNER OIL COMPANY	/	RECEIVED	9. API Well No. 30-025-32133	/	
3a Address 500 COMMERCE, SUITE 600 FORT WORTH, TEXAS 76102	b. Phone No. (include area co		•		
4 Location of Well (Footage, Sec., $T_{\rm *}$, 2275' FSL & 960' FWL OF SECTION 31, T-9-S,		11 County or Parish, LEA COUNTY, NE	/		
12. CHEC	K THE APPROPRIATE BOX	(ES) TO INDICATE NATUR	E OF NOTICE, REPORT OR OTH	IER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
✓ Notice of Intent	Acidize Alter Casing	Deepen Fracture Treat	Production (Start/Resume) Reclamation	Water Shut-Off Well Integrity Other Extension request	
Subsequent Report	Casing Repair Change Plans	New Construction Plug and Abandon	Recomplete Temporarily Abandon	on P&A to possibly	
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal	recomplete	
testing has been completed. Final a determined that the site is ready for Please disregard Notice of Intent for Please see attached explanation.	rork will be performed or provi ed operations. If the operation Abandonment Notices must be final inspection.) plug and abandonment sub	ide the Bond No on file with land the Bond No on file with land results in a multiple completion filed only after all requirement of the desired of the desired of the land th	BLM/BIA. Required subsequent re on or recompletion in a new interva ts, including reclamation, have bee	ports must be filed within 30 days I, a Form 3160-4 must be filed once n completed and the operator has	
owned we	11 since	2002 ind	2001, Oper	they	
	_		to evalvate es prodin 20	003,)	
14. I hereby certify that the foregoing is tr	ue and correct Name (Printed/)	Typed)			
Sabrina Bonner		Title Regulat	Title Regulatory Analyst		
Signature Salvana	Donner go	Date 07/19/2	012		
	THIS SPACE F	OR FEDERAL OR ST	ATE OFFICE USE		
Approved by	1)	n	-0. 1/21 Occas		

that the applicant holds legal of equitable fulle to those rights in the subject lease which would entitle the applicant to conduct of ratios the root.

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

, if any, are attached. Approval of this notice does not warrant or certify

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and grantingapproval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

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(Form 3160-5, page 2)

Geronimo Federal #9 Geronimo Field Lea County, NM

Yates Recompletion

Discussion

The Yates Sandstone is divided into an Upper and Lower Zones by a tite Dolomite. Historically, both zones have been productive. Recommended perf's are at 2653-83, 3014-50, 3063-88, and 3105-3120. This sand has been developed on 40 acre spacing in the north half of our 320 acre lease (#3, 7, 8 & 10) and the south half of the section adjoining to the north.

The #9 is our most southerly well. It will test a possible separate structural closure; however if unsuccessful it can be converted to a water injector.

Anticipated recoverable reserves are 20-30,000 BO. Unfortunately, historical initial production rates from the Yates are 10-17 BOPD

Operational Considerations

- Note there is no cement between the 5-1/2" and 8-5/8" casing strings, requiring a cement squeeze and drill out.
- No open hole logs were run above 4205'. For reserve purposes, the estimated porosity is 15% with 35% Sw.
- Perforated intervals will require fracture stimulation
- With the current drilling and completion activity level in this area, costs have increased significantly.
- The initial production rate is low compared to current costs.

Conclusion

Based on cost, mechanical risk and anticipated production rates, this well work is not currently economically viable.

We request a two (2) year shut-in approval in order to re-evaluate this project in the future. If this shut-in approval is not granted, the anticipated recoverable reserves of 20-30,000 barrels of oil will be forever lost.