Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator Copy

FORM APPROVED
OM B No 1004-0135
Expires: January 31, 2004

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.

5. Lease Serial No.
LC 029509BB

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☐ Gas Well ☑ Other

8. Well Name and No.
Maljamar AGI#1

2 Name of Operator
Frontier Field Services

9. API Well No
30-025-40420

3a Address
4200Skelly Dr , St. 700, Tulsa OK 7413N/A5

3b Phone No. *(include area code)*
918-384-8408

10. Field and Pool, or Exploratory Area
Exploratory (Lower Wolfcamp)

4. Location of Well *(Footage, Sec., T., R., M, or Survey Description)*
130' FSL, 1813' FEL Sec 2N/A1, T 17 S, R 32 E, NMPM, Lea Co. NM
Acid Gas Injection Well, Unorthodox Location

11 County or Parish, State
Lea

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other demonstration of no recoverable hydrocarbons
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 above-referenced AGI well (Maljamar AGI #1 ÖAGI # 30-025-40420) was drilled in March-June, 2012 at the approved location pursuant to an approved APD dated 1/3/2012 and NMOCD Order R-13443 The final perforation and completion of the well is scheduled to take place over the next three weeks in September-October 2012. After the well is perforated it will be tested and a sample of the formation fluid in the injection zone will be collected It is anticipated that injection operations will commence prior to year end.

The summary formation evaluation for the purpose of establishing that the zone is void of recoverable hydrocarbons is included as Attachment A As per your request, we have also included a copy of the log suite that was run across for the well including the mud log (Attachment B). Based on all of the attached information we are confident you will concur with our assessment that the pore space in the Lower Wolfcamp Formation at this location is wet and completely void of recoverable hydrocarbons

I hereby certify that the analysis of the NMOCD-approved injection zone within the Lower Wolfcamp in this well contains no recoverable hydrocarbons and that completion into this zone for acid gas injection is appropriate and should be permitted.

Operator to provide an analysis of the formation fluids to the BLM.

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Alberto A Gutierrez, RG

Title Consultant to Frontier Field Services, LLC and AkA Energy

Signature Digitally signed by Alberto A Gutierrez DN cn=Alberto A Gutierrez, o=Geolex Inc., ou, email=aag@geolex.com, c=US Date: 2012.09.24 10:26:56 -06'00'

Date 9/24/12 9/24/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
SEP 25 2012
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved by _____ Title _____ Date _____

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)

SEP 26 2012

ATTACHMENT A

EVALUATION OF GEOPHYSICAL LOGS, SIDEWALL CORE AND FORMATION MICROIMAGING RESULTS, AND INJECTION POTENTIALS: AKA ENERGY GROUP MALJAMAR AGI #1

Sec. 21-Twp. 17S-32E

Lea County, New Mexico

Prepared for
AKA Energy Group
Frontier Field Services, LLC

by
Geolex, Inc.
500 Marquette Avenue NW Suite 1350
Albuquerque, NM 87102

August 8, 2012

SUMMARY OF FACTORS TO CONSIDER IN RESERVOIR AND CAP ROCK EVALUATION

- The successful evaluation of reservoir and cap rock characteristics using sidewall cores requires the careful consideerations oof the limitations of the samples obtained since each actual sidewall is only representative of 1- 1 ½ inches of the sampled formation. The overall evaluation of the cap rock and reservoir requires the simultaneous consideration of various data types and sources in order to arrive at a reasonable conceptual model of predicted injection performance. These additional data types are evaluated and considered in this analysis and include the complete geophysical log suite for the well including the triple combo, porosity, resistivity and formation microimager (FMI) logs, mudlogs, drilling condition reports and on-site observations. The overall evaluation and recommendations included herein for completion is the result of the analyses and evaluation of these multiple data types.

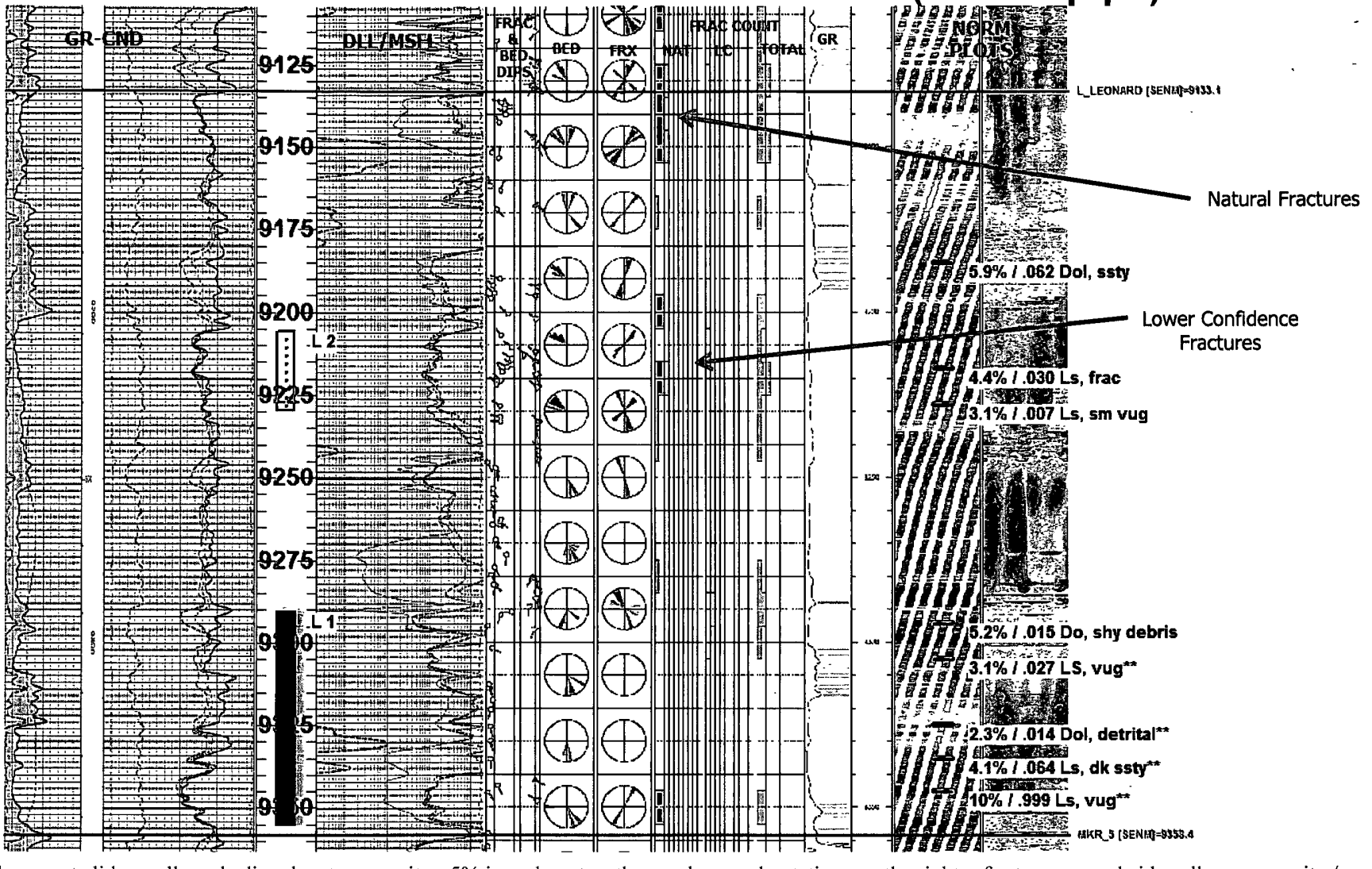
- The facies that were sampled in the lower Leonard to Wolfcamp are dominated by shelf margin detrital carbonates, which are variously composed of lithoclasts and bioclasts in either a carbonate or, more typically, shaley or silty matrix.

- Because of the nature of the facies being sampled, it is not always certain whether the sidewall core has sampled tighter clasts, the matrix, or a combination of both. Some of these detrital carbonates contain lithoclasts that are larger than the size of the sampled core, and porosity is more commonly found in the interparticle matrix.

- Therefore, porosity-permeability measurements of sidewall cores do not always "see" the true parameters of the rock being sampled, and generally result in pessimistically low porosity and permeability measurements when considered in isolation. For this reason it is equally important to consider the corresponding log signatures and drilling notes and experience. In addition, log-indicated porosity may be influenced by the directional nature of some porosity, like isolated vugs or fractures, and may not always read true on a single logging pass. This is aided by the utilization of the FMI log to evaluate strike and dip and fracture orientation.

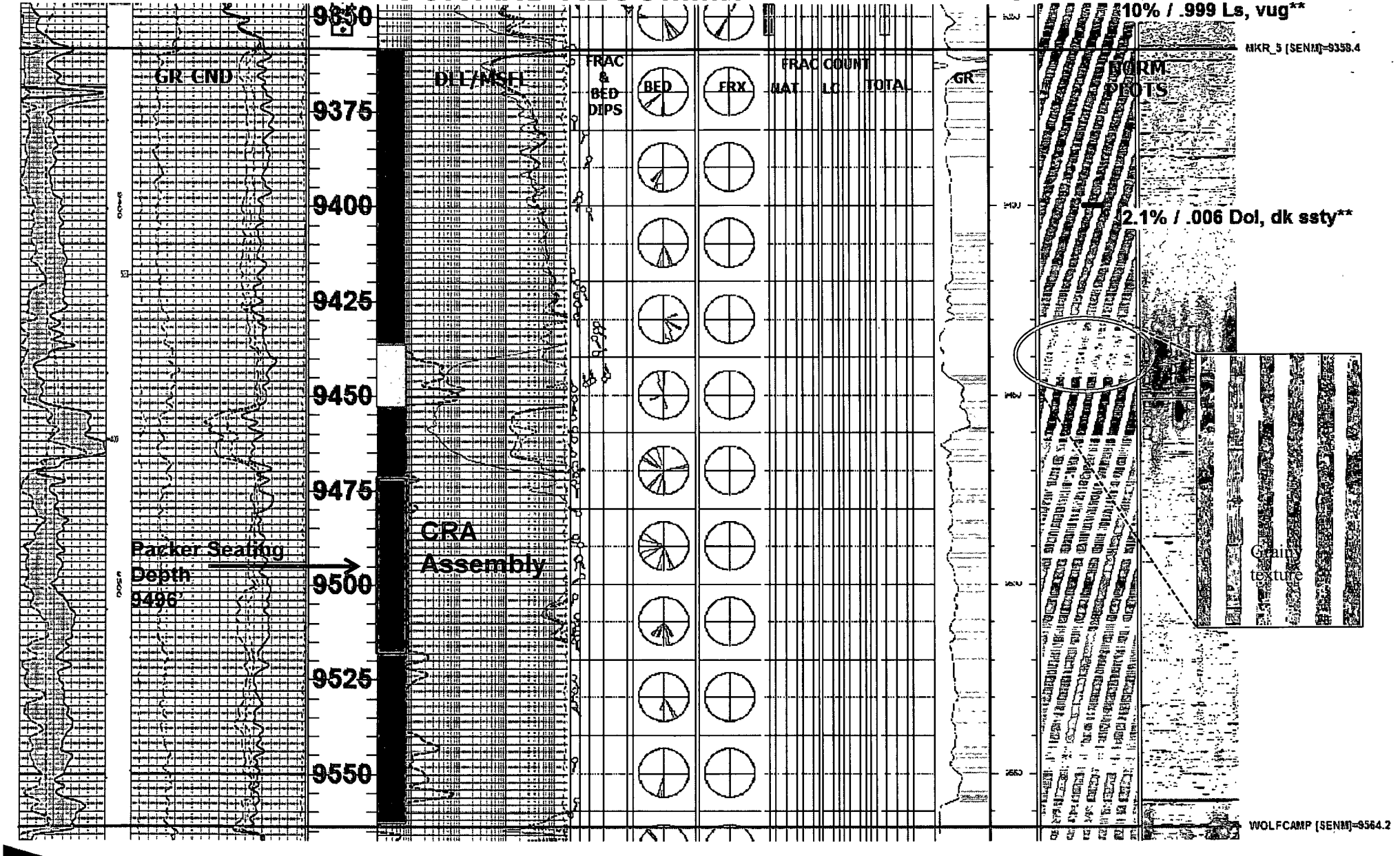
- In the following slides, I have indicated which core samples sampled obvious detrital carbonate, based upon the white and blue-light core photographs, direct examination and (to a lesser extent), the lithologic descriptions provided by Weatherford Labs. It is critical to note that this does not rule out the fact that other cores may include detrital carbonate since any particular sidewall core may have simply sampled only the tighter, clastic fraction of the rock, or perhaps, a locally tighter slope facies. The borehole image processed log is also included on each log composite, to identify major fractured zones. Its value in identifying rock textures is possible in most cases by examining the normalized image tracks.

ANALYSES OF LOWER LEONARD FORMATION (behind pipe)



On this and subsequent slides, yellow shading denotes porosity >5% in carbonates; the numbers and notations on the right refer to measured sidewall core porosity / permeability (% and md, respectively) and a brief lithologic description. Core points with double asterisks calculated Sws of greater than 40%, which is generally considered water productive in this area. The solid blue bars denote the preferred injection intervals. The lower part of the lower Leonard section (L1) reads almost consistently wet, with porosity up to 10%. Anything with porosity over 4% should be adequate for injection purposes. Some of the lower porosity rock may be in the clastic fraction of these detrital carbonates. This portion of the section will be behind pipe and not perforated. The CRA joint was set at 9474' and initial injection intervals will be below this level.

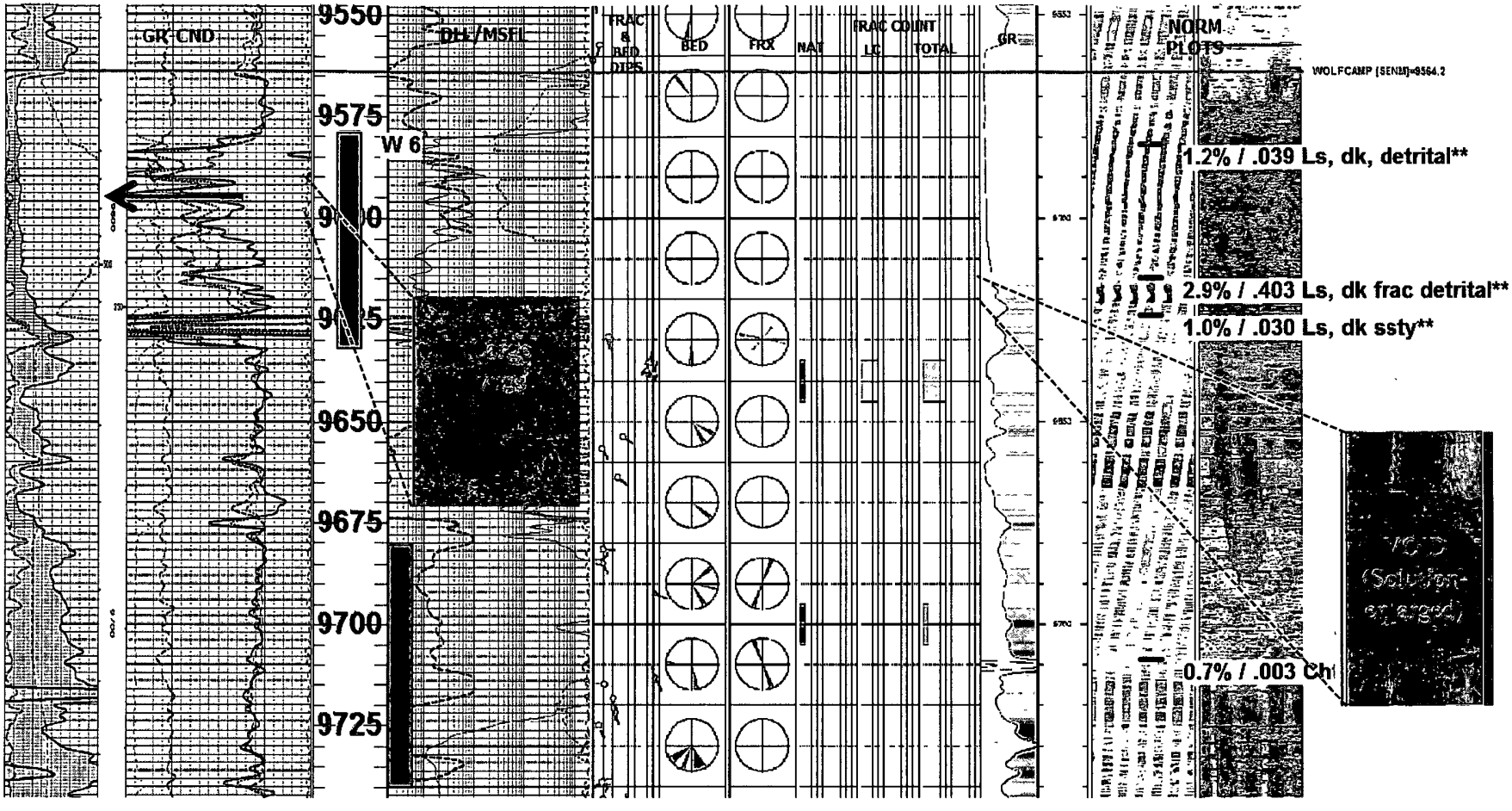
ANALYSIS OF CAP ROCK AND RECOMMENDED PACKER SEATING DEPTH



The intervals indicated by the brown bars appear to be dominated by dark, silty and shaley slope facies, with very low to trace permeability. The green bar denotes a tight lime grainstone, which can be seen on the image plot (green circle) This interval will make an excellent caprock for injection zones below which is why CRA assembly was set here and packer will be set at 9496'.

GEOLEX INCORPORATED

ANALYSIS OF UPPERMOST RECOMMENDED INJECTION ZONE – W 6

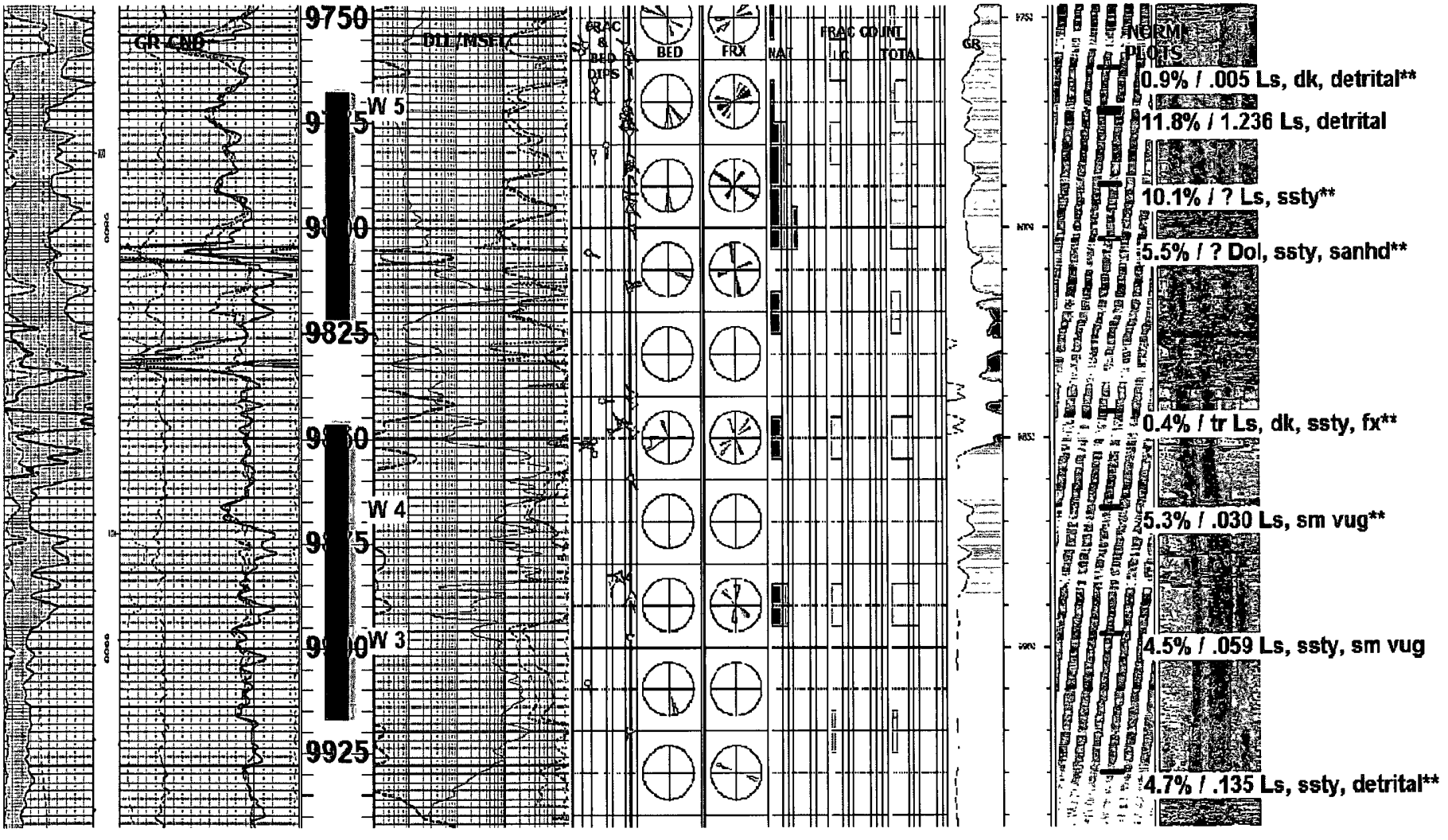


Upper Wolfcamp zone W6 is the uppermost recommended injection zone. This zone was washed out (see caliper log-blue arrow). The FMI image here indicates large voids (black) in the rock which could have caused it to slough. Tracking of the density and neutron curves support that interpretation because a simple washout would not cause the neutron log to go off-scale with the density log. One core sample through this interval recovered fractured (large fracture), detrital carbonate with good permeability, The image log there shows up as a large void, probably a solution-enlarged vug or small sinkhole. All the core samples calculated wet. The cherty zone below (brown bar) represents another caprock interval separating W6 from the underlying Wolfcamp zones.

GEOLEX INCORPORATED

FRONTIER

ANALYSIS OF MIDDLE RECOMMENDED INJECTION ZONES – W 5, W 4 AND W 3

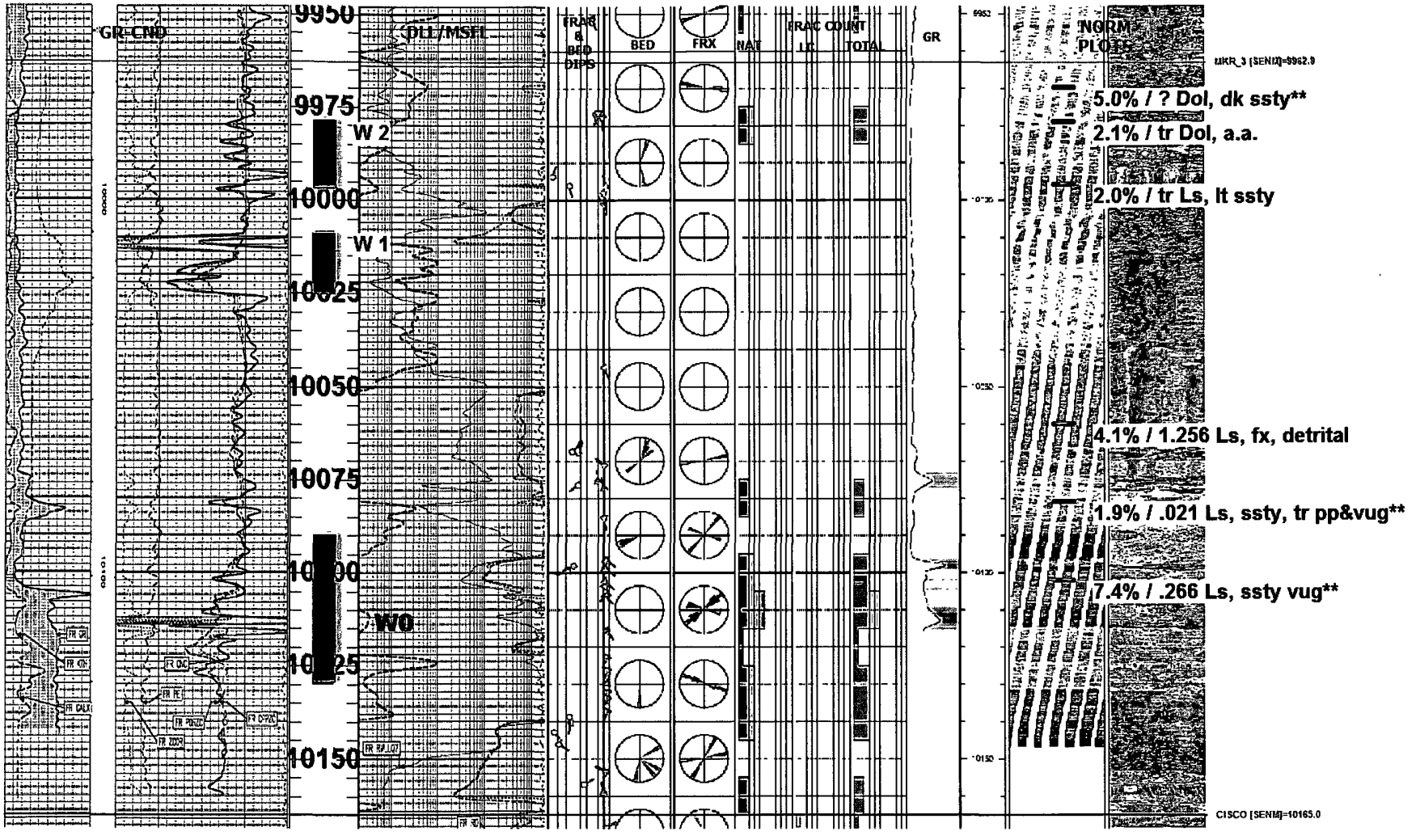


Despite the apparent thinner-bedded nature of the porosity through these intervals, the core results here gave the best, consistent porosity readings over 4%. The FMI shows pervasive fracturing that ties the porous beds together. Zones W5, W4 and W3 should all be perforated by shooting across the entire intervals indicated in blue.

GEOLEX INCORPORATED

FRONTIER

ANALYSIS OF LOWERMOST RECOMMENDED INJECTION ZONES – W 2, W 1, AND W 0



Similarly, these lower Wolfcamp zones should be perforated across the three intervals with the blue bars. The lowest recommended perforation interval (W0) has been added on the basis of the density of fracturing, and primary porosities in core up to 7.4%. The fractures would serve to effectively inter-connect porosity across the interval.

GEOLEX INCORPORATED

FRONTIER field services, llc

SUMMARY OF RECOMMENDED PERFORATIONS

9579'-9632'	Upper Wolfcamp (W 6); good caprock
9768'-9821'	Middle Wolfcamp (W 5); good fracturing
9850'-9917'	Middle Wolfcamp (W 3, W 4); some fracturing
9979'-9997'	Middle Wolfcamp (W 2); some fracturing
10009'-10025'	Lower Wolfcamp (W 1); good primary porosity
10090'-10130'	Lowest Wolfcamp; (W 0); heavily fractured

All zones perforated 4spf at 90°

GEOLEX INCORPORATED

FRONTIER field services, llc

CONCLUSIONS AND RECOMMENDATIONS

- Sidewall core results are expectedly mixed, but indicate that the predominant facies types over the intervals of interest are detrital carbonates with locally high matrix porosity and permeability and significant fracture porosity and permeability.
- Core measurements, compared with log-indicated porosity and permeability and FMI-measured fractures, indicate the following perforating and testing priority for the various units of the Wolfcamp. The lower Leonard will be left behind pipe as a potential injection zone if needed in the future:

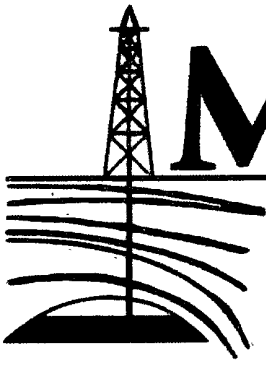
1. The W3 through W5 intervals are the best overall, potential injection zones, and are capped by at least 75-85 feet of tight, shaley and cherty facies.

2. The lower Wolfcamp section, which includes zones W1 and W2 and W 0, could be added to the first intervals, and collectively perforated and tested.

3. Zone W6 is probably a sequence of solution-enlarged porosity, and should be perforated and used even if the first lower Wolfcamp zones test adequately for injection purposes in order to comply with OCD's requirement that the uppermost perforations be no more than 100' below the packer. It is capped by a suitably thick section of tight, shaley and silty carbonates.

END OF ATTACHMENT A

ATTACHMENT B MUDLOG 9000'-TD



McNEESE
FIELD SERVICES, INC.

Office 432-682-0990

Scale: 5" / 100'
Measured Depth Log

Well Name	MALJAMAR AGI #1A		
Location	130' FSL & 1813' FEL, SEC 21, T17S, R32E		
State	NM	**County**	LEA
Country	USA	**Rig**	UNITED DRILLING #41
API Number	30-025-40420		
		Field	WILDCAT
		Drilling Completed	06/09/2012
Ground Elevation	4016'	**K.B. Elevation**	4031'
Logged Interval	5461' **To** 10183'	**Total Depth**	10183'

Operator

Company PB ENERGY

Geologist

Name TOM SHARP

Company GEOLEX

Other

LOGGER - DJ JONES

JOB #805

djones@mfsinc-us.com
(361)728-4874

Dates Logged:
04/28/12 - 06/09/12

Rock Types

- UNKNOWN
- ANHYDRITE
- GYPSUM
- SALT
- SIDERITE or LIMONITE
- LIMESTONE
- DOLOMITE
- CHERT
- COAL
- MARLSTONE
- CLAYSTONE
- SHALE
- SHALE GRAY
- SHALE COLORED
- SILTSTONE
- SANDSTONE
- CONGLOMERATE
- BRECCIA
- TILL
- BENTONITE
- TUFF
- IGNEOUS
- METAMORPHIC

Accessories

Fossils

- ALGAE
- AMPHIPORA
- BELEMNITE
- BIOCLASTIC
- BRACHOIPOD
- BRYOZOA
- CEPHALOPOD
- CORAL
- CRINOID
- ECHINOID
- FISH
- FORAMINIFERA
- F FOSSIL
- GASTROPOD
- OOLITE
- OSTRACOD
- PELECYPOD
- PELLET
- PISOLITE
- PLANT REMAINS
- PLANT SPORES
- SCAPHOPOD
- STROMATOPOROID

Minerals

- ANHYDRITIC
- ARGILLACEOUS
- ARGILLITE GRAIN
- B BENTONITE
- BITUMENOUS SUBSTANCE
- BRECCIA FRAGMENTS
- CALCAREOUS
- CARBONACEOUS FLAKES
- CHTDK
- CHTLT
- COAL - THIN BEDS
- DOLOMITIC
- FELDSPAR
- FERRUGINOUS PELLET
- FERRUGINOUS
- GLAUCONITE
- GYPSIFEROUS
- HEAVY MINERAL
- K KAOLIN
- MARLSTONE
- MINERAL CRYSTALS
- NODULES
- PHOSPHATE PELLETS
- P PYRITE
- SALT CAST
- SANDY
- SILICEOUS
- SILTY
- TUFFACEOUS

Stringer

- ANHYDRITE STRINGER
- BENTONITE STRINGER
- COAL STRINGER
- DOLOMITE STRINGER
- GYPSUM STRINGER
- LIMESTONE STRINGER
- MARLSTONE (CALC) STRG
- MARLSTONE (DOL) STRG
- SANDSTONE STRINGER
- SHALE STRINGER
- SILTSTONE STRINGER

Other Symbols

Oil Show

- D DEAD
- EVEN
- QUESTIONABLE
- SPOTTED STAINING

Porosity

- E EARTHY
- FENESTRAL
- F FRACTURE
- X INTERCRYSTALLINE
- INTEROOLITIC
- MOLDIC
- O ORGANIC
- P PINPOINT
- VUGGY

Engineering

- BIT
- CONNECTION (LEFT)
- CONNECTION (RIGHT)
- CG CONNECTION GAS
- CORE - LOST
- CORE - RECOVERED
- DST INTERVAL
- FAULT
- FORMATION TOP
- GAS SHOW
- MN DEPTH MN DEPTH
- NORMAL FAULT
- OIL SHOW
- OVERTURNED STRATA
- REVERSE FAULT
- SIDEWALL CORE (LEFT)
- SIDEWALL CORE (RIGHT)
- SLIDE
- DS SURVEY
- TG TRIP GAS
- WIRELINE TESTED - LEFT
- WIRELINE TESTED - RT

Rounding

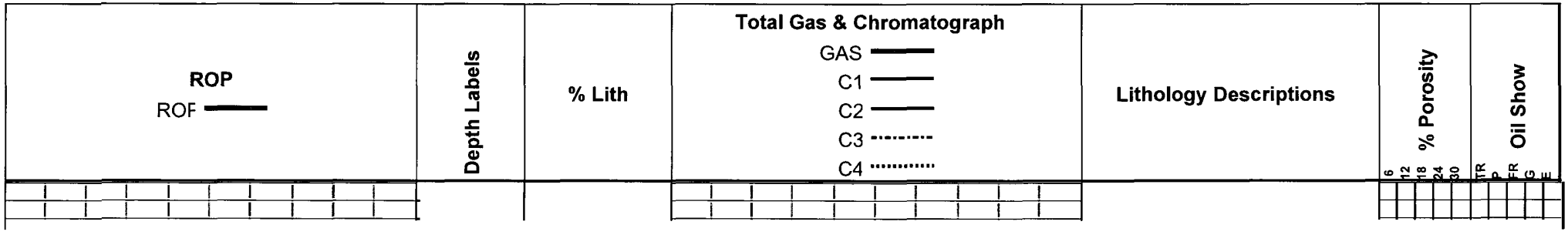
- A ANGULAR
- R ROUNDED
- SUBANG
- SUBRND

Textures

- BS BOUNDSTONE
- C CHALKY
- CX CRYPTOXLN
- E EARTHY
- FX FINELYXLN
- GS GRAINSTONE
- L LITHOGRAPHIC
- MX MICROXLN
- MS MUDSTONE
- PS PACKSTONE
- WS WACKESTONE

Sorting

- M MODERATE
- P POOR
- W WELL


ROP
ROF
Depth Labels
% Lith
Total Gas & Chromatograph
GAS
C1
C2
C3
C4
Lithology Descriptions
% Porosity
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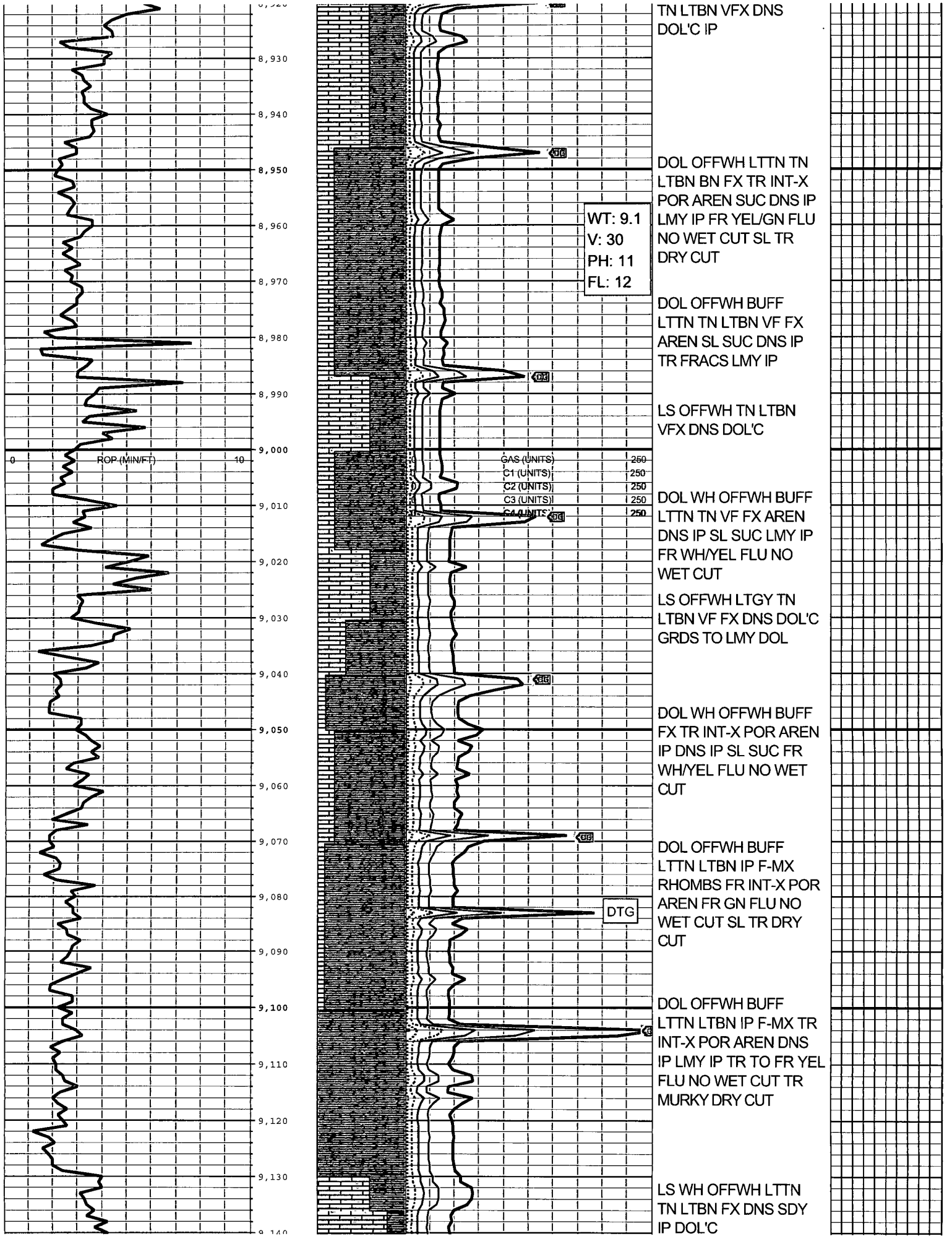
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C3 (UNITS)
C4 (UNITS)
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V: 30
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FL: 12
DTG
TN LTBN VFX DNS DOL'C IP
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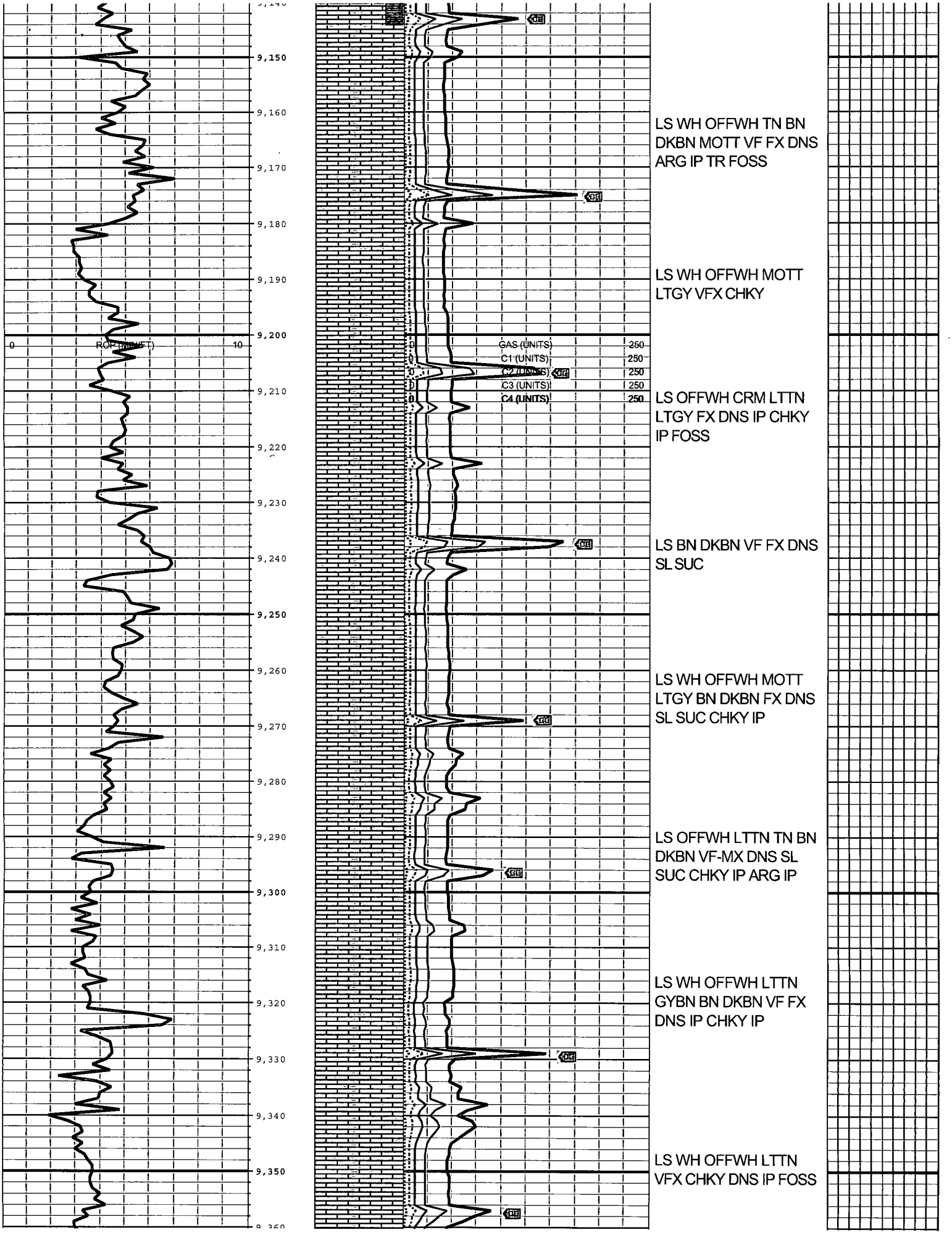
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C4 (UNITS)
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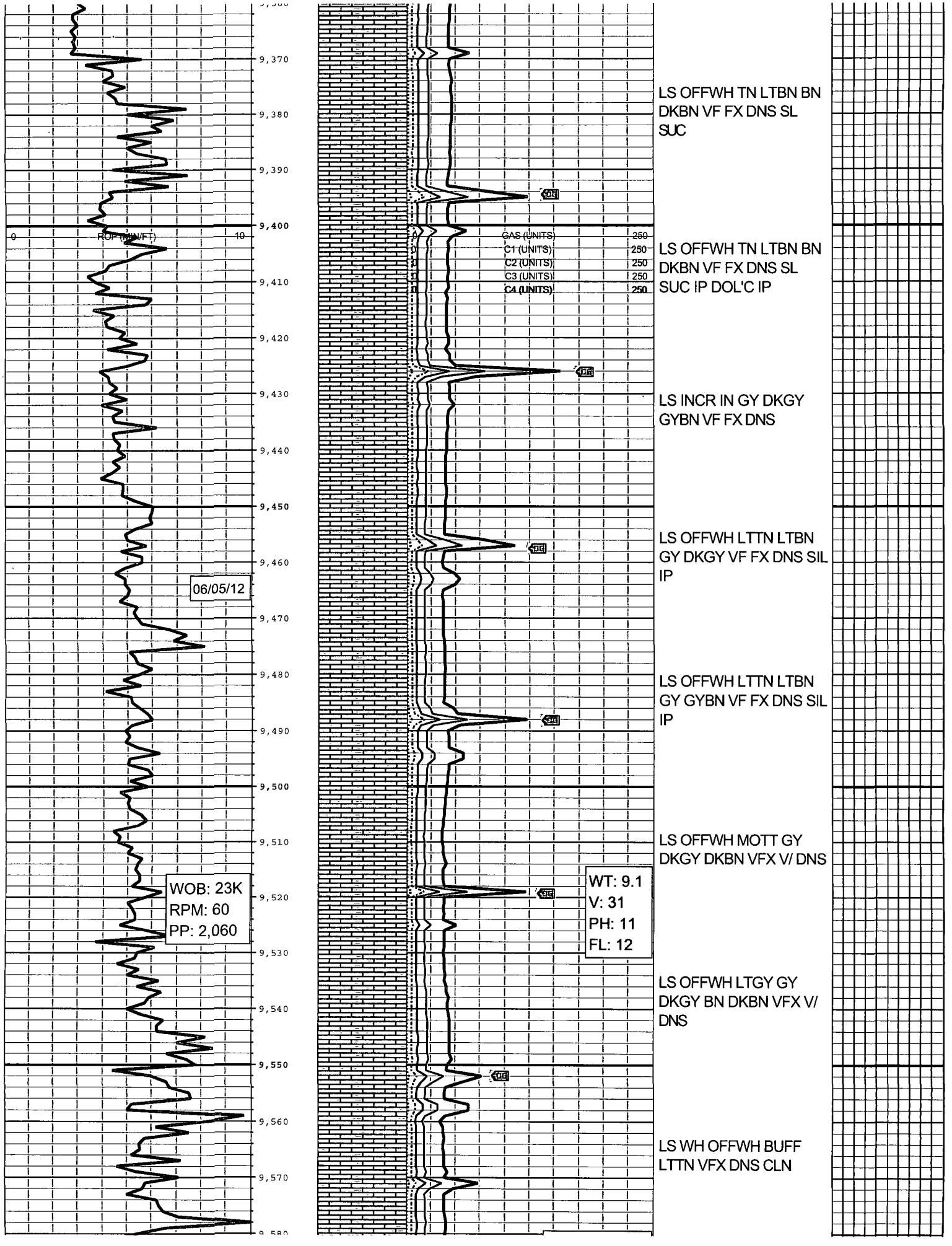
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9,530
9,540
9,550
9,560
9,570
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ROP (MIN/FT)
10
GAS (UNITS)
C1 (UNITS)
C2 (UNITS)
C3 (UNITS)
C4 (UNITS)
250
06/05/12
WOB: 23K
RPM: 60
PP: 2,060
WT: 9.1
V: 31
PH: 11
FL: 12
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LS OFFWH TN LTBN BN DKBN VF FX DNS SL SUC IP DOL'C IP
LS INCR IN GY DKGY GYBN VF FX DNS
LS OFFWH LTTN LTBN GY DKGY VF FX DNS SIL IP
LS OFFWH LTTN LTBN GY GYBN VF FX DNS SIL IP
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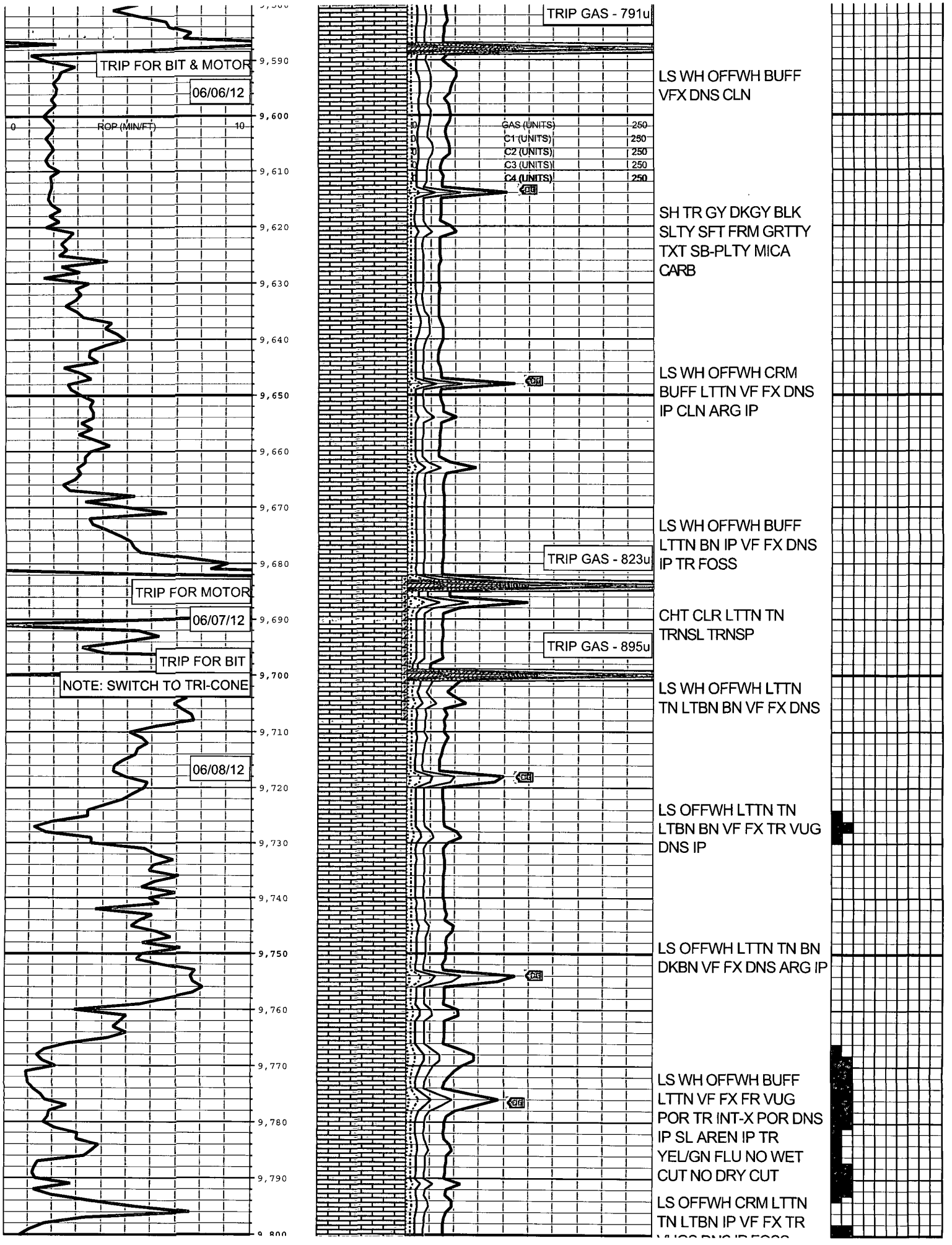
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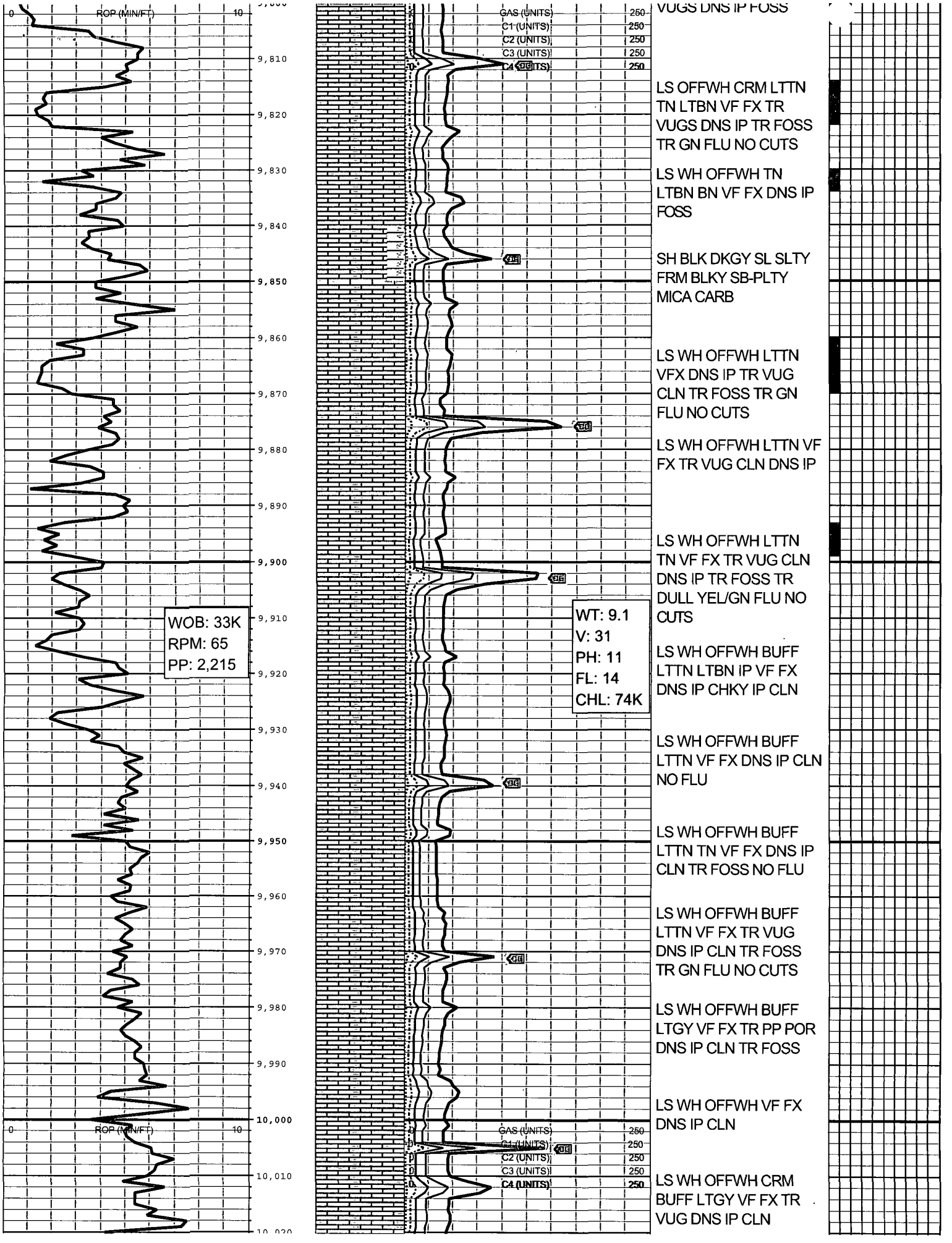
9,650
9,660
9,670
9,680
TRIP FOR MOTOR
06/07/12
9,690
TRIP FOR BIT
NOTE: SWITCH TO TRI-CONE
9,700
9,710
06/08/12
9,720
9,730
9,740
9,750
9,760
9,770
9,780
9,790
9,800
TRIP GAS - 791u
GAS (UNITS) 250
C1 (UNITS) 250
C2 (UNITS) 250
C3 (UNITS) 250
C4 (UNITS) 250
LS WH OFFWH BUFF VFX DNS CLN
SH TR GY DKGY BLK SLTY SFT FRM GRTTY TXT SB-PLTY MICA CARB
LS WH OFFWH CRM BUFF LTTN VF FX DNS IP CLN ARG IP
TRIP GAS - 823u
LS WH OFFWH BUFF LTTN BN IP VF FX DNS IP TR FOSS
CHT CLR LTTN TN TRNSL TRNSP
TRIP GAS - 895u
LS WH OFFWH LTTN TN LTBN BN VF FX DNS
LS OFFWH LTTN TN LTBN BN VF FX TR VUG DNS IP
LS OFFWH LTTN TN BN DKBN VF FX DNS ARG IP
LS WH OFFWH BUFF LTTN VF FX FR VUG POR TR INT-X POR DNS IP SL AREN IP TR YEL/GN FLU NO WET CUT NO DRY CUT
LS OFFWH CRM LTTN TN LTBN IP VF FX TR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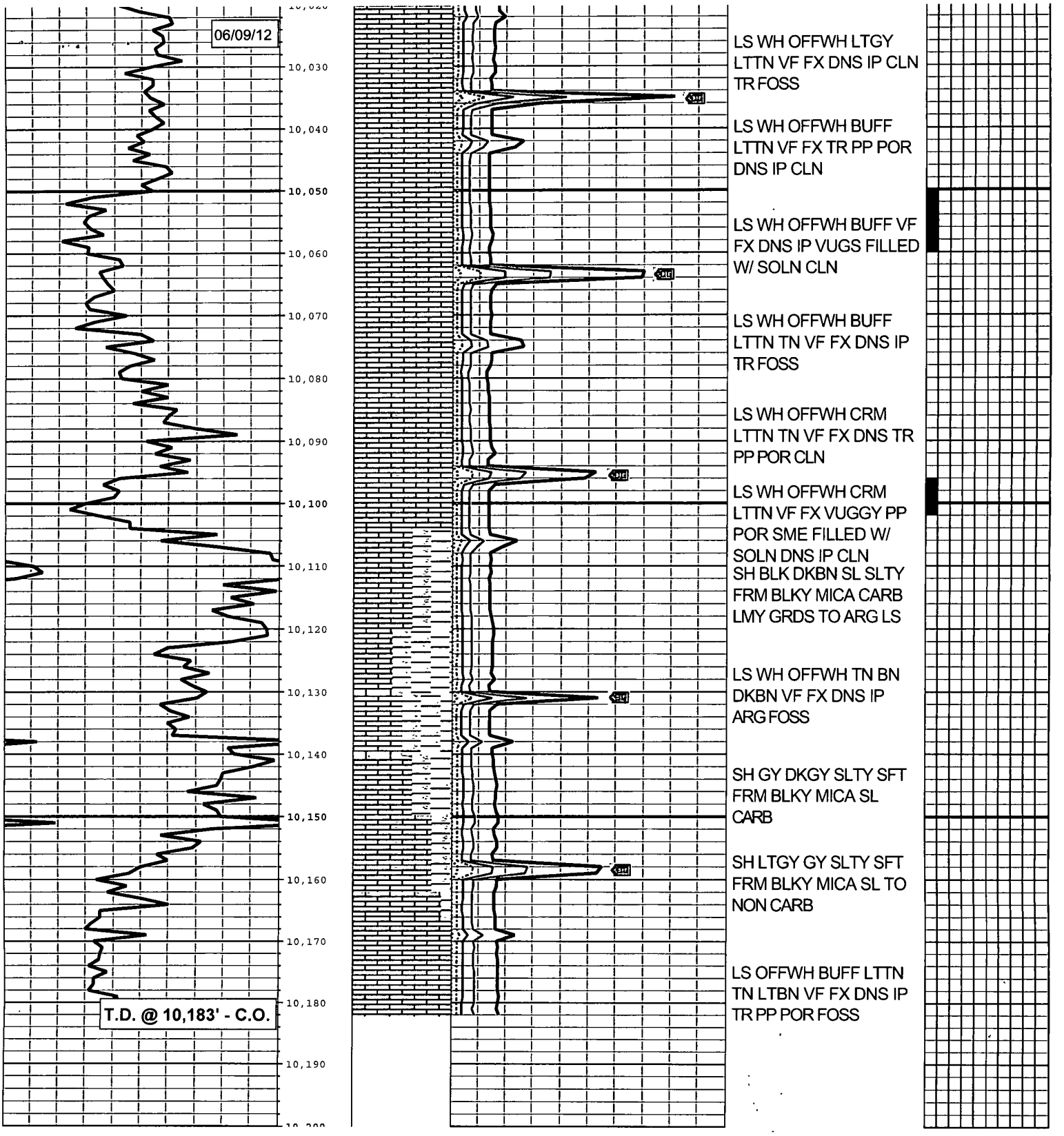
9,850
9,860
9,870
9,880
9,890
9,900
9,910
9,920
9,930
9,940
9,950
9,960
9,970
9,980
9,990
10,000
10,010
10,020
WOB: 33K
RPM: 65
PP: 2,215
GAS (UNITS)
C1 (UNITS)
C2 (UNITS)
C3 (UNITS)
C4 (UNITS)
250
WT: 9.1
V: 31
PH: 11
FL: 14
CHL: 74K
VUGS DNS IP FOSS
LS OFFWH CRM LTTN TN LTBN VF FX TR VUGS DNS IP TR FOSS TR GN FLU NO CUTS
LS WH OFFWH TN LTBN BN VF FX DNS IP FOSS
SH BLK DKGY SL SLTY FRM BLKY SB-PLTY MICA CARB
LS WH OFFWH LTTN VFX DNS IP TR VUG CLN TR FOSS TR GN FLU NO CUTS
LS WH OFFWH LTTN VF FX TR VUG CLN DNS IP
LS WH OFFWH LTTN TN VF FX TR VUG CLN DNS IP TR FOSS TR DULL YEL/GN FLU NO CUTS
LS WH OFFWH BUFF LTTN LTBN IP VF FX DNS IP CHKY IP CLN
LS WH OFFWH BUFF LTTN VF FX DNS IP CLN NO FLU
LS WH OFFWH BUFF LTTN TN VF FX DNS IP CLN TR FOSS NO FLU
LS WH OFFWH BUFF LTTN VF FX TR VUG DNS IP CLN TR FOSS TR GN FLU NO CUTS
LS WH OFFWH BUFF LTGY VF FX TR PP POR DNS IP CLN TR FOSS
LS WH OFFWH VF FX DNS IP CLN
LS WH OFFWH CRM BUFF LTGY VF FX TR VUG DNS IP CLN



END OF ATTACHMENT B MUDLOG 9000'-TD