

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs
HOBB'S OCD

JUN 02 2014

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

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.

RECEIVED

| | | |
|--|--|---|
| SUBMIT IN TRIPLICATE - Other instructions on page 2. | | 5. Lease Serial No. NMNM0149958 |
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator Saga Petroleum Ltd. | | 7. If Unit of CA/Agreement, Name and/or No. |
| 3a. Address 200 N. Loraine, Suite 1300 Midland, TX 79701 | | 8. Well Name and No. Hood #02 |
| 3b. Phone No. (include area code) 432-687-6200 | | 9. API Well No. 3002521308 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FNL & 680' FWL, T9S-R35E-Sec. 13: SW4NW4 | | 10. Field and Pool or Exploratory Area Bough |
| | | 11. County or Parish, State Lea County, NM |

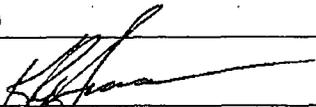
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| 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 | |

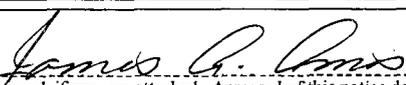
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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 must 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 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.)

Saga Petroleum feels the above referenced abandoned well location meets the Bureau of Land Managements, reclamation objective. The location is ready for a Final Abandonment inspection and subsequent release from liability.

This approval does not relieve operator from any liability from the private landowner.

| | |
|---|--|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) | |
| Kyle Huckaba | Title Senior Vice President-Engineering & Acquisitions |
| Signature  | Date 05/05/2014 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|------------|--------------|
| Approved by  | Title SEPS | Date 5-21-14 |
| 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 CPD | |

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)

MJB/ocd 6-3-2014

JUN 03 2014