

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
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 **SMITH & MARRS INC.**

3a. Address
BOX 863 KERMIT, TEXAS 79745

3b. Phone No. (include area code)
432-586-3076

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SWSW 22, T-26S, R-37E

5. Lease Serial No.
NMLC050774A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
RHODES # 3

9. API Well No.
3002512035

10. Field and Pool, or Exploratory Area
RHODES

11. County or Parish, State

LEA COUNTY, NEW MEXICO

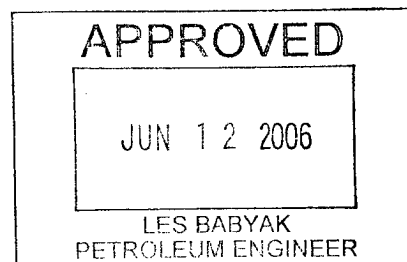
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|--|--|---|
| <input checked="" 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 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 checked="" 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 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.)

SEE ATTACHMENT

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



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

RICKEY SMITH

Title **PRESIDENT**

Signature

Date

3-29-06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Chris Williams OC DISTRICT SUPERVISOR

OR/GENERAL MANAGER

Title

Date

JUN 15 2006

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)

SMITH & MARRS INC.
BOX 863
KERMIT, TEXAS 79745

3160-5
PLUGGING PROCEEDURE

Lease: RHODES # 3 -
Project: P & A - INTENT TO PLUG

API # 3002512035

1. SET CIBP @ 3000' - DUMP 35' CEMENT ON TOP
2. PULL 5 1/2" CASING @ FREEPOINT - 2000' +/-
3. SPOT 40 SXS @ 50' IN & 50' OUT OF CASING STUB & TAG
4. SPOT 50 SXS @ 1257'-1157' & TAG
5. SPOT 35 SXS @ 500'-400' & TAG
6. SPOT 10 SXS @ 30' TO SURFACE

SC

INSTALL DRY HOLE MARKER
CIRCULATE 10# MUD

8 5/8" CASING @ 1207' - CEMENT CIRCULATED
5 1/2" CASING @ 3138' - TOC CALCULATED @ 2000'
PERFORATIONS @ 3103'-3120'
OPEN HOLE @ 3138'-3300'