OCD-Artesia

FORM APPROVED Form 3160-5 UNITED STATES OMB No. 1004-0135 Expires November 30, 2000 (August 1999) DEPARTMENT OF THE INTERIOR 12 13 14 15 76 2 DEPARTMENT OF THE INTERIOR Lease Serial No. NM-100545 SUNDRY NOTICES AND REPORTS ON WEL Do not use this form for proposals to drill or to re-enteran 6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side 1. Type of Well 8. Well Name and No. Oil Well A Gas Well Other Mental Floss 7 Fed. Name of Operator 9. API Well No. Ameristate Exploration, LLC 3a. Address 3b. Phone No. (include area code) 30-015-34919 10. Field and Pool, or Exploratory Area <u> 111 Congress, Ste. 2700 Austin, TX 512 391-4813</u> Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 1500'FSL & 1650'FEL, Sec 7,T16S,R27E, M20 Eddy, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION ☐ Acidize Production (Start/Resume) Water Shut-Off Deepen Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair **New Construction** Recomplete Amen Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 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.) To amend approved APD (6/8/2006) that will allow an open pit instead of a closed system. 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Tille Right-of- Way Agent Do. Signature Date 8-14-06 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Title 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.

Form 3160-3 (Angust 1999)

FORM APPROVED	
OMB No. 1004-0136	
Expires November 30, 200	į

DEPARTMENT OF THE INTERIOR STATE APPLICATION FOR PERMIT TO DRIE OR REEKTER 7. In. Type of Work: Definition from Permit To Drie On Reekter 7. In. Type of Work: Definition from Permit To Drie On Reekter 7. In. Type of Work: Definition from Permit To Drie On Reekter 7. In. Type of Work: Definition from Permit To Drie On Reekter 7. In. Type of Work: Definition from Permit To Drie On Reekter 7. In. Type of Work: Definition from Permit To Drie On Reekter 7. In. Type of Work: Definition from Permit To Drie On Reekter 7. In. Type of Work: Definition from Permit To Drie On Reekter 7. In. Type of Work: Definition from Permit To Drie On Reekter 7. In. Type of Work: Definition from Permit To Drie On Reekter 7. In. Type of Work: Definition from Permit To Drie On Reekter 7. In. Field and Pool, or Exploratory 10. In. Field and Pool, or Exploratory 11. In. Field and Pool, or		TES 19	7 /		er 30, 2000
APPLICATION FOR PERMIT TO DRIE OR REENTER 18. Type of Work: DIRILL REENTER 18. Type of Welt: Oil Well Di Oas Well Other Single 36cc Oil Meditiple Zone 18. Lesse Name and Well Ne. 19. API Well No. 20. Anders of Operator Ameristate Exploration, LLC 21. Address 22. Name of Operator An instruction of Well (Report location clearly and in accordance with any State requirements.*) At surface 15.00' FSL & 16.50' FSL & 16.50' FEL At proposed prot. zone 12.5 miles to Artesia, west of location. 23. Distance from proposed requirements of Orthory of New Ages to Artesia, west of location. 24. Distance from proposed requirements of Orthory of New Ages to Artesia, west of location. 25. Distance from proposed requirements of Orthory of Acres in lease control of the	DEPARTMENT OF THI	B INTERIOR	<u> </u>		
18. Type of Welt: OH Welt One Well Other Single Zone OH Welting Zone OH Welt One OH OH Welt One OH	BUKEAU UF LAND MAI	NAUEMENIOCAS 22	920		Tribe Name
10. Type of Well: Oil Well Oil Oas Well Other Single 2662 9 Multiple Zoee St. Letse Name and Well No. Mental Tross Pederal,	APPLICATION FOR PERMIT TO	DRILL ON REEMVER	023		
2 Name of Operator Ameristate Exploration, LLC 3a. Address 111 Congress Ave., Suite 2700 Austin, TX 512/391-4813 112 Congress Ave., Buite 2700 Austin, TX 512/391-4813 113 Sec., T., R., M., or Bik. and Survey or Area An surface An surface 1500' FSL & 1650' FEL An proposed prod. zone 1500' FSL & 1650' FEL An proposed prod. zone 1500' FSL & 1650' FEL An proposed prod. zone 16. No. of Acres in lease 17. Specing Unit dedicated to this well 18. State 18. Distance from proposed' location to nearest 18. Distance from proposed' location to nearest 18. Distance from proposed years lies, if any) 1500' 16. No. of Acres in lease 17. Specing Unit dedicated to this well 18. Distance from proposed years lies, if any) 18. Distance from proposed years lies, if any 18. Distance from the sense lies, if (Also to nearest original line, if any) 18. Distance from proposed years lies, if any 18. Distance from the sense lies, if (Also to nearest original line, if any) 18. Distance from the sense lies, if (Also to nearest original line, if any) 18. Distance from the sense lies, if (Also to nearest original line, if any) 18. Distance from the sense lies, if (Also to nearest original line, if any) 18. Distance from the sense lies, if (Also to nearest original line, if any) 18. Distance from the sense line, if (Also to nearest original line, if any) 18. Distance from the sense line, if (Also to nearest original line, if any) 18. Distance from the sense line, if (Also to nearest original line, if any) 18. Distance from the sense line, if (Also to nearest original line, if any) 18. Distance from the sense or with nearest original line work will stant' 18. Distance from the sense or sense line, if (Also to nearest original line, if any) 18. Distance from the sense or sense line, if (Also to nearest original line, if any) 18. Distance from the sense or sense line, if (Also to nearest original line, if any) 18	la. Type of Work: DRILL REEP	NTER COS SIA	() ³ /		
Ameristate Exploration, LLC 3a. Address 111 Congress Ave., Suite 2700 Austin, TX 512/391-4813 4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 1500' FSL & 1650' FEL At proposed prod. 2006 4. Distance in miles and direction from nearest town or post office* 12.5 miles to Artesia, west of location. 5. Distance from proposed* [constitution to nearest proposed to coation* 5. Distance from proposed focation* 5. Distance from proposed to coation* 6. Distance from proposed to coation* 7. Specing Unit dedicated to this well incording the nearest flag and line, if any) 8. Distance from proposed tocation* 8. Distance from proposed tocation* 9. Proposed Depth 10. Read of Acres in lease 11. Specing Unit dedicated to this well incording to nearest proposed for, on this late, ft. 13. State 1430.91 1430.91 120. BLM/BIA Bond No. on file NMB-000296 1. Elevations (Show whether DF, KDB, RT, OL, etc.) 21. Approximate date work will start* 22. Estimated duration 3452' GL 23. Estimated duration 3452' GL 24. Attachments 25. Roswell Controlled Water Basin 16. Bond to cover the operations unless covered by an existing bond on file (Inc. 20 above). 18. Bond to cover the operations unless covered by an existing bond on file (Inc. 20 above). 19. Proposed Depth 20. Supervised by Signature 4. Bond to cover the operations unless covered by an existing bond on file (Inc. 20 above). 10. Operations (Show whether DF, Date 10. Supervised by Signature) 10. Supervised by Signature 10. Supervised by Signature 10. Supervised on Ameristate Exploration, LLC 10. Supervised by Signature 10. Name (PrintedTyped) 10. Date		Single Zone 9 - Multi	ple Zone	8. Lesse Name and Well Mental Floss	No. 7 Federal,
111 Congress Ave., Suite 2700 Austin, TX 512/ 391-4813 Exploratory 4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 1500' FSL & 1650' FEL At proposed pod. zone 4. Distance from proposed* location is miles and direction from nearest town or post office* 12. County or Parish. Eddy 13. State RM 15. Distance from proposed* location to nearest propecty or lease lies, it. Also to nearest offig. unit line, if any) 1500' 1430.91 320 1430.91 320 15. Proposed Depth 8, 150' 8, 150' NMB-000296 16. Elevations (Show whether DF, KDB, RT, GL, etc.) 3452' GL 24. Attachments Roswell Controlled Water Basin to following completed in accordance with the requirements of Orubore Oil and Oas Order No.1, shall be attached to this form: 4. Bond to cover the operations unless covered by an existing bond on file (and the supplement of the supplement of Suppleme					34919
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At swrface 1500' FSL & 1650' FEL At proposed prod. Zone 4. Distance in miles and direction from searest town or post office* 12.5 miles no Artesia, west of location. 5. Distance from proposed relations to searest location to searce location location to searce location location to searce location location to searce location					locatory
At surface 1500' FSL & 1650' FEL Sec. 7-T16S-R27E At proposed prod. zone 4. Distance in miles and direction from pearest town or post office. 12.5 miles to Artes1a, west of location. 5. Distance from proposed location to nearest property or beautiful, and the second sec. 15. Specing Unit dedicated to this well property or beautiful, and the second sec. 15. Specing Unit dedicated to this well property or beautiful, and the second					
At proposed prod. 2006 4. Distance from proposed of 12.5 miles to Artesia, west of location. 5. Distance from proposed states to Artesia, west of location. 16. No. of Acres in lease proposed to state the state of location. 17. Spacing Unit dedicated to this well property or state line, if any) 18. Distance from proposed location is constructed, applied for, on this lease, if. 19. Proposed Depth 1		•		11. Sec., 1., K., M., or Dis	r and onlock of Vice
12.5 miles to Artesia, west of location. 5. Dissance from proposed* location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any) 6. Dissance from proposed location* 10. No. of Acres in lease 11. Specing Unit dedicated to this well supposed to nearest drig, unit line, if any) 12. Dissance from proposed location* 13. Dissance from proposed location* 14. Dissance from proposed location* 15. Proposed Depth 16. No. of Acres in lease 17. Specing Unit dedicated to this well supposed to the sease. 18. Dissance from proposed location* 19. Proposed Depth 10. BLM/BIA Bond No. on file 19. Proposed Depth 10. BLM/BIA Bond No. on file 10. BLM/BIA Bond No. on f	•				
Comparison to nearest Comparison Compa	 Distance is miles and direction from nearest town or post office 12.5 miles to Artenia, west of lo 	cation.			
[Also to neasest drig, unit line, if any) 1500' 1430-91 19. Proposed Depth 19. Repthering Depth 19. Proposed Depth 19. Repthering Depth 19. Proposed Depth 19. Repthering Depth 20. BLM/BlA Bond No. on file 19. Repthering Depth 20. BLM/BlA Bond No. on file 19. Repthering Depth 20. BLM/BlA Bond No. on file 19. Repthering Depth 20. BLM/BlA Bond No. on file 19. Repthering Depth 20. BLM/BlA Bond No. on file 19. Repthering Depthering Dep	location to nearest	16. No. of Acres in lease	17. Specin	g Unit dedicated to this well	
be session well, effiling, completed, applied for, on this lease, ft. 1. Elevations (Show whether DF, KDB, RT, GL, etc.) 3452 ' GL 22. Approximate date work will start 23. Estimated duration 3452 ' GL 24. Attachments Roswell Controlled Water Basin be following completed in accordance with the requirements of Onshore Oil and Oas Order No.1, shall be attached to this form: Well plate certified by a registered surveyor. A Drilling Plan. A Surface Use: Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). Signature Name (Printed/Typed) Agent for Ameristate Exploration, LLC Approved by (Signature) Name (Printed/Typed) Office CARLSBAD FIELD MANAGER Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would efficit the applicant to conduce persultable thereon.	property or lease line, ft. (Also to nearest drig, unit line, if any) 1500'	1430.91	320		
application approval does not warrant or certify the the applicant to does not warrant or certify the the application approval does not warrant or certify the the applicant to conduct the period of	B. Distance from proposed location*	19. Proposed Depth	20. BLM/	BLA Band Na, on file	
June 5, 2006 24. Attachments Roswell Controlled Water Basin he following completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form: Well plat certified by a registered surveyor. A Date A Surface Use Plan (If the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). A Surface Use Plan (If the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). A Surface Use Plan (If the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). A Surface Use Plan (If the location is on National Forest System Lands, the Suph other site specific information and/or plans as may be required by a suthorized officer. Name (Printed/Typed) Agent for Ameristate Exploration, LLC Approved by (Signalure) Name (Printed/Typed) The Save CARLSBAD FIELD OFFICE CARLSBAD FIELD OFFICE Application approval does not warrant or certify the the applicant holds legal or equitable sitle to those rights in the subject lease which would exhibit the applicant to conduct the population of the population		8,150'	NMB=(000296	
New following completed in accordance with the requirements of Onshore Oil and Oas Order No.1, shall be attached to this form: Well plat certified by a registered surveyor. A Drilliag Plan. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filled with the appropriate Forest Service Office). Name (Printed/Typed) Agent for Ameristate Exploration, LLC Approved by (Signature) Name (Printed/Typed)			urt*		
Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use: Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). Signature Name (Printed/Typed) Agent for Ameristate Exploration, LLC Agent FIELD MANAGER Pile CARLSBAD FIELD CERE Spilention approval does not warrant or certify the the applicant holds legal or equitable sittle to those rights in the subject lease which would exhibit the applicant to conduct the repolicant to conduct the reconduct the reconduct the reconduct the repolicant to conduct the reconduct the reconduct the repolicant to conduct the reconduct the repolicant to conduct the reconduct the reconduct the repolicant to conduct the reconduct the repolicant to conduct the reconduct the reconduct the repolicant to conduct the reconduct the reconduct the reconduct the reconduct the repolicant to conduct the reconduct to conduct the reconduct to conduct the reconduct the rec		24. Attachments	Rosw	rell Controlled Water Ba	asin
George R. Smith Agent for Ameristate Exploration, LLC Approved by (Signature) Name (Printed/Typed) Signature Office CARLSBAD FIELD MANAGER Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduperations thereon.	l. Well plat certified by a registered surveyor. 2. A Drilling Plan.	Item 20 above).	•	ns unless covered by an ex	Isting bond on file (s
Agent for Ameristate Exploration, LLC Approved by (Signature) Name (Printed/Typed) Office CARLSBAD FIELD MANAGER Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would editite the applicant to conduperations thereon.	L. A Drilling Plan. B. A Surface Use Plan (if the location is on National Forest Sys	Rem Lands, the Such other site	cation. specific in		
Agent for Ameristate Exploration, LLC Approved by (Signature) Name (Printed/Typed) Ide S/2006 Office CARLSBAD FIELD MANAGER Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would editite the applicant to conduperations thereon.	A Drilling Plan. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). S. Signature	item 20 above). 5. Operator cartific 6. Such other site authorized office	cation. specific in	formation and/or plans as a	nay be required by t
Name (Printed/Typed) Tim Stand Office CARLSBAD FIELD MANAGER Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would editile the applicant to conduct pertuitions thereon.	2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). 5. Signature Levyl R. Lenyth	item 20 above). 5. Operator cartific 6. Such other site authorized offic Name (Printed/Typed)	cation. specific in er.	formation and/or plans as s	nay be required by t
FIELD MANAGER CARLSBAD FIELD OFFICE Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduperations thereon.	2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). 3. Signature Accepted Synthematics Title	ltem 20 above). 5. Operator certific 6. Such other site authorized offic Name (Printed/Typed) George R. Smith	cation. specific in er.	formation and/or plans as s	nay be required by (
FIELD MANAGER CARLSBAD FIELD OFFICE Application approval does not warrant or certify the the applicant holds legal or equitable little to those rights in the subject lease which would entitle the applicant to condust pertuitons thereon. APPDOVAL FOR 1 VEAD	2. A Drilling Plan. 3. A Surface Use: Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). 5. Signature Title Agent for Ameristate Exploration	ltem 20 above). 5. Operator cartific 6. Such other site authorized offic Name (Printed/Typed) George R. Smith On, LLC Name (Printed/Typed)	cation. specific in er.	formation and/or plans as s	nay be required by to stee May 4, 2006
perations thereon. ADDDOVAL COD 4 VEAD	A Drilliag Plan. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). S. Signature Agent for Ameristate Exploration approved by (Signature)	Item 20 above). 5. Operator certific 6. Such other site authorized offic Name (Printed/Typed) George R. Smith On, LLC Name (Printed/Typed) Jim Stovial	cation. specific in er.	formation and/or plans as s	nay be required by the steel of
	A Drilliag Plan. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). S. Signature Title Agent for Ameristate Exploration Approved by (Signature) Title Title Agent For Ameristate Exploration Approved by (Signature)	Item 20 above). 5. Operator certific 6. Such other site authorized office Name (Printed/Typed) George R. Smith On, LLC Name (Printed/Typed) Office	estion. specific initiation.	formation and/or plans as a	nay be required by the state May 4, 2006
	A Drilling Plan. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). S. Signature Agent for Ameristate Exploration approved by (Signature) Title AFFIELD MANAGER Application approval does not warrant or certify the the applicant ho	Item 20 above). 5. Operator certific 6. Such other site authorized office Name (Printed/Typed) George R. Smith On, LLC Name (Printed/Typed) Office	specific in er.	formation and/or plans as a position of the po	nay be required by the state May 4, 2006
	A Drilling Plan. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). S. Signature Agent for Ameristate Exploration Approved by (Signature) FIELD MANAGER Application approval does not warrant or certify the the applicant hor perutions thereon. Acaditions of approval, if any, are attached. Cittle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, mare	Item 20 above). 5. Operator certific 6. Such other site authorized offic Name (Printed/Typed) George R. Smith On, LLC Name (Printed/Typed) Office CARL office CARL office CARL office CARL office CARL office CARL office CARL office CARL office CARL	SBAD n the subject	formation and/or plans as a position of the po	nay be required by ate May 4, 2006 Deta / S / 2006 The applicant to conduct 1 YEAR
tates any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). 3. Signature Title Agent for Ameristate Exploration Approved by (Signature) FIELD MANAGER Application approval does not warrant or certify the the applicant hoperations thereon. Conditions of approval, if any, are stacked. Cittle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes any false, fictitious or fraudulent statements or representations.	Item 20 above). 5. Operator certific 6. Such other site authorized offic Name (Printed/Typed) George R. Smith On, LLC Name (Printed/Typed) Office CARL office CARL office CARL office CARL office CARL office CARL office CARL office CARL office CARL	SBAD n the subject	formation and/or plans as a position of the po	nay be required by ate May 4, 2006 Deta / S / 2006 The applicant to conduct 1 YEAR
	A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). 3. Signature Title Agent for Ameristate Exploration Approved by (Signature) FIELD MANAGER Application approval does not warrant or certify the the applicant hoperations thereon. Conditions of approval, if any, are stacked. Cittle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes any false, fictitious or fraudulent statements or representations.	Item 20 above). 5. Operator certific 6. Such other site authorized offic Name (Printed/Typed) George R. Smith On, LLC Name (Printed/Typed) Office CARL office CARL office CARL office CARL office CARL office CARL office CARL office CARL office CARL	SBAD n the subject	formation and/or plans as a position of the po	nay be required by the state of
	A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). 3. Signature Title Agent for Ameristate Exploration Approved by (Signature) FIELD MANAGER Application approval does not warrant or certify the the applicant hoperations thereon. Conditions of approval, if any, are stacked. Cittle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes any false, fictitious or fraudulent statements or representations.	Item 20 above). 5. Operator certific 6. Such other site authorized offic Name (Printed/Typed) George R. Smith On, LLC Name (Printed/Typed) Office CARL office CARL office CARL office CARL office CARL office CARL office CARL office CARL office CARL	SBAD n the subject	formation and/or plans as a position of the po	nay be required by the state of
(Instructions on reverse)	A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). 3. Signature Agent for Ameristate Exploration approved by (Signature) File Ameristate Exploration approved does not warrant or certify the the applicant hoperutions thereon. Conditions of approval, if any, are stisched. Citie 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, maketes any false, (Ictitious or fraudalest statements or representations of the contractions on reverse)	ltem 20 above). 5. Operator certific 6. Such other site authorized offic Name (Printed/Typed) George R. Smith Office Name (Printed/Typed) Office CAPL elds legal or equitable sitle to those rights is as to any matter within its jurisdiction.	SBAD she willfully	FIELD OFFICE PROVAL FOR	nay be required by ate May 4, 2006 Delay 2, 2006 The applicant to conduct 1 YEAR or agency of the United
(Instructions on reverse) Lease Responsibility Statement: Ameristate Exploration, LLC accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof.	A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). S. Signature Agent for Ameristate Exploration Approved by (Signature) File African Approval does not warrant or certify the the applicant hoperutions thereon. Conditions of approval, if any, are stisched. Cities 8 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes any false, (Ecitious or freedulent statements or representations of the conditions on reverse) Lease Responsibility Statement: Ameristate Experience on conducted or conditions conducted or conduct	ltem 20 above). 5. Operator certific 6. Such other site authorized office Name (Printed/Typed) George R. Smith Office CARL office CARL	SBAD The subject AP The subject AP The subject AP The subject AP The subject AP	FIELD OFFICE PROVAL FOR	nay be required by ate May 4, 2006 Delay 2, 2006 The applicant to conduct 1 YEAR or agency of the United
Lease Responsibility Statement: Ameristate Exploration, LLC accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof. DECLARED WATER BASIN.	2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). 25. Signature 16. Agent for Ameristate Exploration Approved by (Signature) 16. FIELD MANAGER Application approval does not warrant or certify the the applicant hosperations thereon. 26. Conditions of approval, if any, are stached. 16. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, markets any false, fictitious or fraudulent statements or representations 16. (Instructions on reverse) Lease Responsibility Statement: Ameristate Expressions conducted of DECLARI	Item 20 above). So Operator certific 6. Such other site authorized office Name (PrintedTyped) George R. Smith On, LLC Name (PrintedTyped) Office CARL Idea is a crime for any person knowingly as as to any matter within its jurisdiction. ED WATER BASIN.	SBAD and willfully	FIELD OFFICE PROVAL FOR	nay be required by the same of the University of
Lease Responsibility Statement: Ameristate Exploration, LLC accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof. DECLARED WATER BASIN	2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Office). 25. Signature Agent for Ameristate Exploration Approved by (Signature) FIELD MANAGER Application approval does not warrant or certify the the applicant hosperutions thereon. Conditions of approval, if any, are attached. Citie 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, magisters any false, (ictitious or fraudulent statements or representations) **(Instructions on reverse)** Lease Responsibility Statement: Ameristate Experience on the conducted of DECLARICAL CERE CARED WATER BASIN CERE CONTROLLED CONTROLLED CERE CARED WATER BASIN CERE CARED CERE CONTROLLED CERE CARED CERE CONTROLLED CERE CARED CERE CERE CARED CERE CARED CERE CERE CERE CERE CERE CERE CERE C	Item 20 above). 5. Operator certific 6. Such other site authorized office Name (Printed/Typed) George R. Smith Office CARL Office CARL other site is a crime for any person knowingly as as to any matter within its jurisdiction. ED WATER BASIN A	SBAD and willfully cable term of.	FIELD OFFICE PROVAL FOR to make to any department as, conditions, stipulati	nay be required by the same of the University of

WITNESS

GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brezos Road, Azicc, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-144 March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Gra	de Tank Registration or C	losure RECEIVED
is pit or below-grade tank	covered by a "general plan"? Yes	A No □
Type of action: Registration of a pd or	below-grade tank . Closure of a pit or be	• *
Operator, Ameristate Exploration LLC	Telephone: 512 3914913	e-mail address:
Address: 111 Congress Ave., Suite 2700 Austin, Texas 78701		
Facility or well name: Mental Floss 7 Federal No. 1	API #: 30-015-34919 U/L or Q	tr/Otr Sec 7 T165 R 27E
County: Eddy Latitude N32.93441 Longitude	<u>₩104,31470</u> NAD: 1927 □	983 🔀 Surface Owner Federal 🎘 State 🗌 Private 🔲
Indian 🗀		
Pit	Relow-grade tunk	
Type: Drilling M Production Disposal	Volume:bbl Type of fluid:	
Workover ☐ Emergency ☐	Construction material:	
Lined M Unlined []	Double-walled, with leak detection? Yes	🗋 If not, explain why not.
Liner type: Synthetic Thickness 12 mil Clay Volume		
bbi]	
	Less than 50 feet	((20 points))
Depth to ground water (vertical distance from bottom of pit to seasonal high	50 feet or more, but less than 100 feet	(10 points)
water elevation of ground water.)	300 feet or more	(O points)
		(70 animu)
Wellhead protection area: (Less than 200 feet from a private domestic	Yes	(20 points)
water source, or less than 1000 feet from all other water sources.)	No	(O points)
	Less than 200 feet	(20 points)
Distance to surface water: (horizonta) distance to all wetlands, playas,	200 feet or more, but less than 1000 feet	(10 points)
irrigation canals, ditches, and perenatal and ephemeral watercourses.)	1000 feet or mure	(O points)
	Ranking Score (Total Points)	20 points
If this is a nit closure: (1) attach a diagram of the facility showing the pix's	relationship to other equipment and tanks.	(2) Indicate disposal location:
onsite affisite fill If offsite, name of facility	(3) Attach a general description of rem	edial action taken including remediation start date and end
date. (4) Groundwater encountered: No [] Yes [] If yes, show depth bek		
diagram of sample locations and excavations.		, , , , , , , , , , , , , , , , , , , ,
I hereby certify that the information above is true and complete to the best of been/will be constructed or closed according to NMOCD guidelines [3], a Date: July 18, 2006	my knowledge and belief. I further certify a general permit, or an (attached) alter	that the above-described pit or below-grade tank has native OCD-approved plan
Printed Name/Title Dan C. Deck, Agent	Signature 00	au _
Your certification and NMOCD approval of this application/closure does not otherwise endanger public health or the environment. Nor does it relieve the regulations.	relieve the operator of liability should the operator of its responsibility for compliance	entents of the pit or tank contaminate ground water or with any other federal, state, or local laws and/or
Approval:		A TOTAL CONTRACTOR OF THE PARTY
Approval: Date: Printed Name/Title Approval: Sept.	Enter, seculo d	ed 1 i
Printed Name/Title	Signature	8/2/06
www. It Sugar	laver	
	. #.	
		!