

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
Dakota Resources Inc. I

3a. Address
911 North Midkiff Midland, Texas 79701

3b. Phone No. (include area code)
432/697-3420

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FSL & 1980' FEL Sec. 18 - T20S - R34E NMPM

5. Lease Serial No.

LC29512C 029,512C

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Federal #1

9. API Well No.
30-025-08463

10. Field and Pool, or Exploratory Area
Teas Yates (7 Rivers)

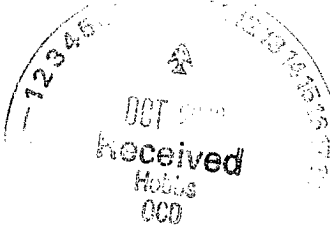
11. County or Parish, State
Lea , NM

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 checked="" type="checkbox"/> Other <u>workover</u>
	<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 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 shall 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 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.)

We are going to attempt to clean this well bore out and run 4 1/2" liner in the well, and put this well back into production status. Please see attached procedure.



APPROVED

AUG 30 2006

**LES BABYAK
PETROLEUM ENGINEER**

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

Rick Maddox

Title **Operations Manager**

Signature

Date

8/22/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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)

GW

Sparger Federal #1

Clean out PROCEDURE

Perfs: 3350' - 56'
3410' - 40'

7" Casing @ 3500' cmt'd w/ 800 sx, circ'd to surface. (will not hold pressure)

Deliver out 2 7/8" Work String (3550')

1. MIRU Pulling Unit

2. POH w/ Rods and Tubing

3. Install BOP

4. RIH w/ 6 1/4" Mill tooth bit, 6 collars, 2 7/8" work string, & drill out cement on top of CIBP @ 3250'. POH

5. RIH w/ 6 1/4" Kutrite shoe, 6 collars, & 2 7/8" work String.

6. Drill out CIBP @ 3250', swallow CIBP in shoe. POH

7. RIH w/ 6 1/4" mill tooth bit, collars, to 3444' drill out fish. (Old records indicated recovered some rubber. Could possibly packer or CIBP)

a. If drilling out w/ Mill Tooth fails, RIH w/ impression block to determine if overshot would go over fish.

b. If unable to get over shot over fish, RIH w/ 6 1/4" Concave Mill, Stabilizer, & mill out fish.

8. RIH w/ Bailer and clean out to TD. (3825')

9. RIH w/ 4 1/2" 10.50 # J - 55 casing to 3825'

10. Cement 4 1/2" casing, circulate cement to surface

11. Perforate & Acidize per recommendation.

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

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Dakota Resources Inc (I) Telephone: 432/697-3420 e-mail address rickm@dakota.wtxcoxmail.com
Address: 911 North Midkiff Midland, Texas 79701
Facility or well name: Federal #1 API #: 30-025-08463 U/L or Qtr/Qtr J Sec 18 T 20-S R 34E
County: Lea Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☐ Production ☐ Disposal ☐

Workover ☒ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐

Pit Volume 70 bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more ☒

(0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No ☒

(0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more ☒

(0 points)

Ranking Score (Total Points)

0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 8-22-2006

Printed Name/Title Rick Maddox / Operations Manager Signature [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title _____ Signature _____

GARY W. WINK

IC FIELD REPRESENTATIVE II/STAFF MANAGER

Date OCT 10 2006

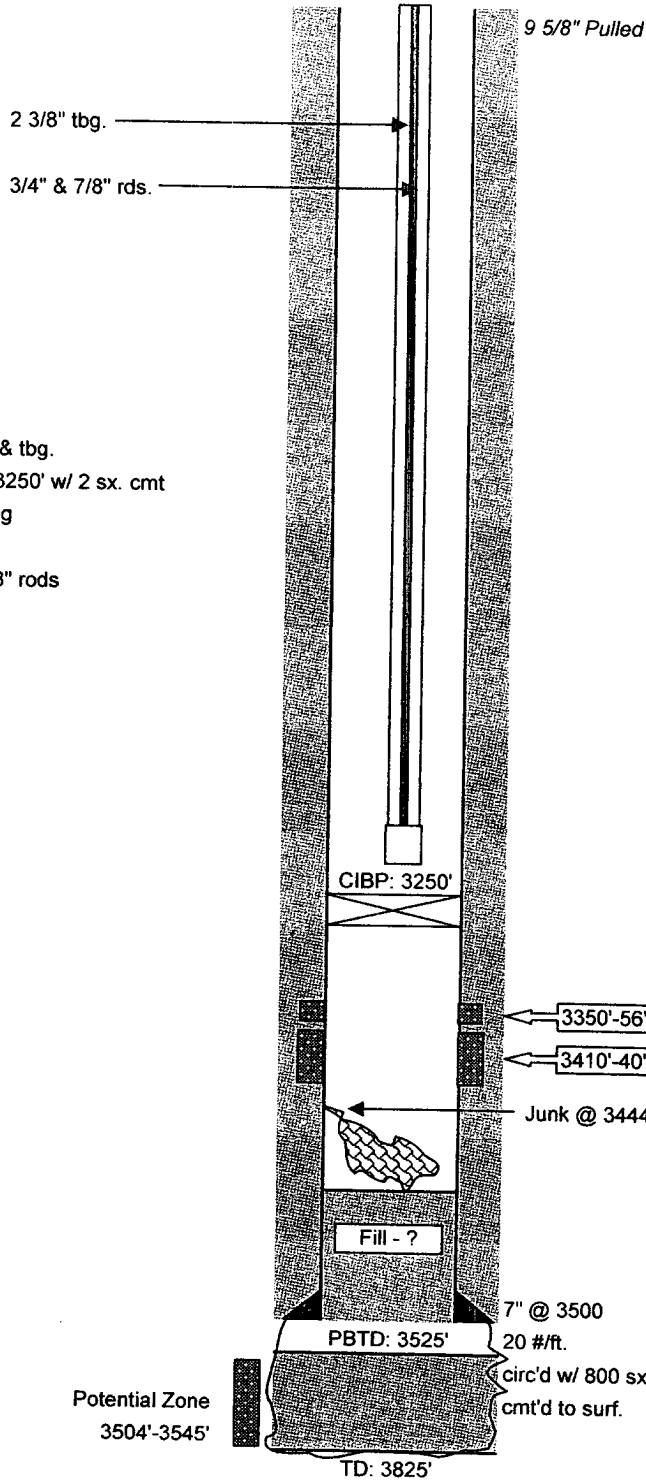
Federal (Sparger) #1

1980' FSL & 1980' FEL

Sec. 18 - T20S - R34E

Lea Co. NM

Teas Yates Seven Rivers Field



KB - 3625'
GL - 3625
API: 30-025-08463

Aug-54 (P) 18bo + 18bw
Drid by J. Don Hudgens

Feb-97 Dakota bought SI well

Jan-98 Pmp 2bo-on PC tried to run bit
cleanout 3695' to 3444'. Rec'd
rubber-found iron & quit

Jun-99 Attempt to restart well. 1 good
oil tank & FG wtr. Tank
10bw overnight, by morning
it was stacking out, suspect
plugged w/ paraffin
Shut down well.

Feb-00 PC pump stuck open (not paraffin)
pmp'd back load fluid, Hot oil
circ'd well no sign of hole

Mar-00 Hole in tbg. Rtrn to prod.

Amer T90D-57 PU
10 Hp elect Mtr.

Nov-04 POH w/ rods & tbg.
Set CIBP @ 3250' w/ 2 sx. cmt
RIH 102 jts tbg
LD 10 jts tbg
RIH 3/4" + 7/8" rods
LD 12 rods

AGT