

UNITED STATE  
DEPARTMENT OF THE  
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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NMNM80650 *
2. Name of Operator Capataz Operating Inc	6. If Indian, Allottee or Tribe Name
3a. Address PO Box 10549, Midland, TX	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) 432-620-8820	8. Well Name and No. Pall Mall #1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FNL & 660' FEL, Sec14-T20S-R38E	9. API Well No. 30-025-34634
	10. Field and Pool, or Exploratory Area House Blinebry South
	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 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 checked="" 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 DHC
	<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.)

Blinebry (5923-6075'), Tubb (6696-6748'), Drinkard (6960-7052') and Abo (7277-7640') zones have been commingled and production allocated as follows:

Formation	Oil	Gas
Blinebry	25%	25%
Tubb	63%	8%
Drinkard	12%	67%
Abo	0%	0%

All royalty ownership is identical in all zones.

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

N Scott Davis

Title Agent

Signature

Date 7/31/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

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

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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 in any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FREDERICK WRIGHT  
PETROLEUM ENGINEER

(Instructions on page 2)

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