

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 **PALISADES ASSET HOLDING COMPANY., LLC**

3a. Address
223 W. WALL ST., STE 825, MIDLAND, TEXAS 79701

3b. Phone No. (include area code)
432-686-7159

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**330 FNL & 330 FEL
SECTION 21, TOWNSHIP 14 SOUTH, RANGE 31 EAST, UNIT LETTER A**

5. Lease Serial No.

NMNM 080123

6. If Indian, Allottee or Tribe Name

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

WEST CAP QUEEN SAND UNIT

8. Well Name and No.

WELL NO 15

9. API Well No.

30-005-01108

10. Field and Pool, or Exploratory Area

CAPROCK QUEEN

11. County or Parish, State

CHAVES CO., NEW MEXICO

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 checked="" 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 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 recomplate 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.)

PLACED WELL BACK ON PRODUCTION:

3/3/07 - Electrician reviewed installations at well to make operational.

3/25/07 - Prepare to start well

3/26/07 - Turned on well. Appears to have a rod part. Very weight heavy. Would suck & blow on each stroke

4/16/07 - Set anchors on well

4/18/07 - MI & RU lucky well service. Rig up to pull rods. Pumped 30 bbls of hot water down tbg-csg annulus. Well started circulating. Found flowline to have hole in same near well head. Stopped hot water treatment. Test tbg w/rods & pump in hole to 500 #..held okay. TOH w/106-3/4" rods & found rods unscrewed. S.D. prepare to TIH, screw into rods, recover pump plunger w/sv & inspect plgr.

4/19/07 - Prepare to pump & test. After SDON, TIH w/rods & fishing tools. Catch unscrewed rod at 2650'. Unseat pump & TOH w/rods & 2" x 1 1/2" x 16' insert pump. TIH w/2" x 1 1/2" x 16' RWBC (stationary bbl) pump w/ 113-3/4" steel rods & 2-4' & 1-6' 3/4" pony rods. Rig up hot oil unit. Pumped down tbg-csg annulus out tubing w/7 bo & flowline appeared to plug. Rig down hot oil unit. Space out pump & hung well on.

Load & test to 600#..held okay. Rig down & move off

4/20/07 - Tied together flowline after re-routing same

4/21/07 - Finished repairing pumping unit base. Start well producing in the P.M.

4/23/07 - Produced 3 BO 75 BW

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

HERBERT F. BOLES

Title **MANAGING MEMBER**

Signature

Herbert F. Boles

Date

04/23/2007

ACCEPTED FOR RECORD FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

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 18 U.S.C. Section 1001 and 1003, 18 U.S.C. Section 1121, make it a crime for any person to knowingly and willfully make any false, fictitious or fraudulent statements or representations as to any matter within the jurisdiction of the Federal Government.

(Instructions on page 2)

Accepted For Record Only! Approval Subject To Returning Well To Continuous Production And Keeping Well On Continuous Production Or Plugging Well With An Approved Plugging Program!

GWW