

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
Finley Resources, Inc.

3a Address
1308 Lake Street, Ste. 200, Fort Worth, TX 76102

3b Phone No (include area code)
817-336-1924

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

1983' FWL & 1983 FSL of Section 34 - 20S - 36E

Unit K

5 Lease Serial No

MLC-063116

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No

Seale Federal #2

9 API Well No

30-025-04395

10 Field and Pool, or Exploratory Area

Eumont (Y-7R-Q)

11 County or Parish, State

Lea

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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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 recomple 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.)

Set CIBP @ 3300'. Top perf 3360'. Test CIBP to 1000#. OK. Test csg & locate leak @ 126-156'. RU Gray Wire Line. RIH w/ 3-1/8" slick gun & perf 5-1/2" csg @ 175' w/ 1 JSPF. [Csg leak 126' to 156']. RD Gray WL. RIH w/ 300' of 2-3/8" tbg. RU BJ Services. Spot Gel pill from 300' to 175'. POH lay down 2-3/8" tbg. BJ pump 50 sxs CL "C" cmt w/ 3% CaCl2 down 5-1/2" csg & out 8-5/8" surface csg. Circ cmt to surface & squeeze 1/2 bbl cmt.

CTL. RIH w/ BP tbg & tag cmt @ 80'. POH lay down tbg. RU Key pump truck for MIT. Called Patricia Hutchings w/ BLM to witness charted. MIT. Pressure to 500# for 30 min w/ no loss of pressure. Patricia Hutchings w/ BLM signed MIT chart that passed for TA. RD-Key. RDMO.

After 6/20/08 the well must be online or plans to P & A must be submitted.

ACCEPTED FOR RECORD

JUN 20 2007

LES BABYAK
PETROLEUM ENGINEER

14 I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Crystal Martinez

Title Production Analyst

Signature

Date

06/01/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

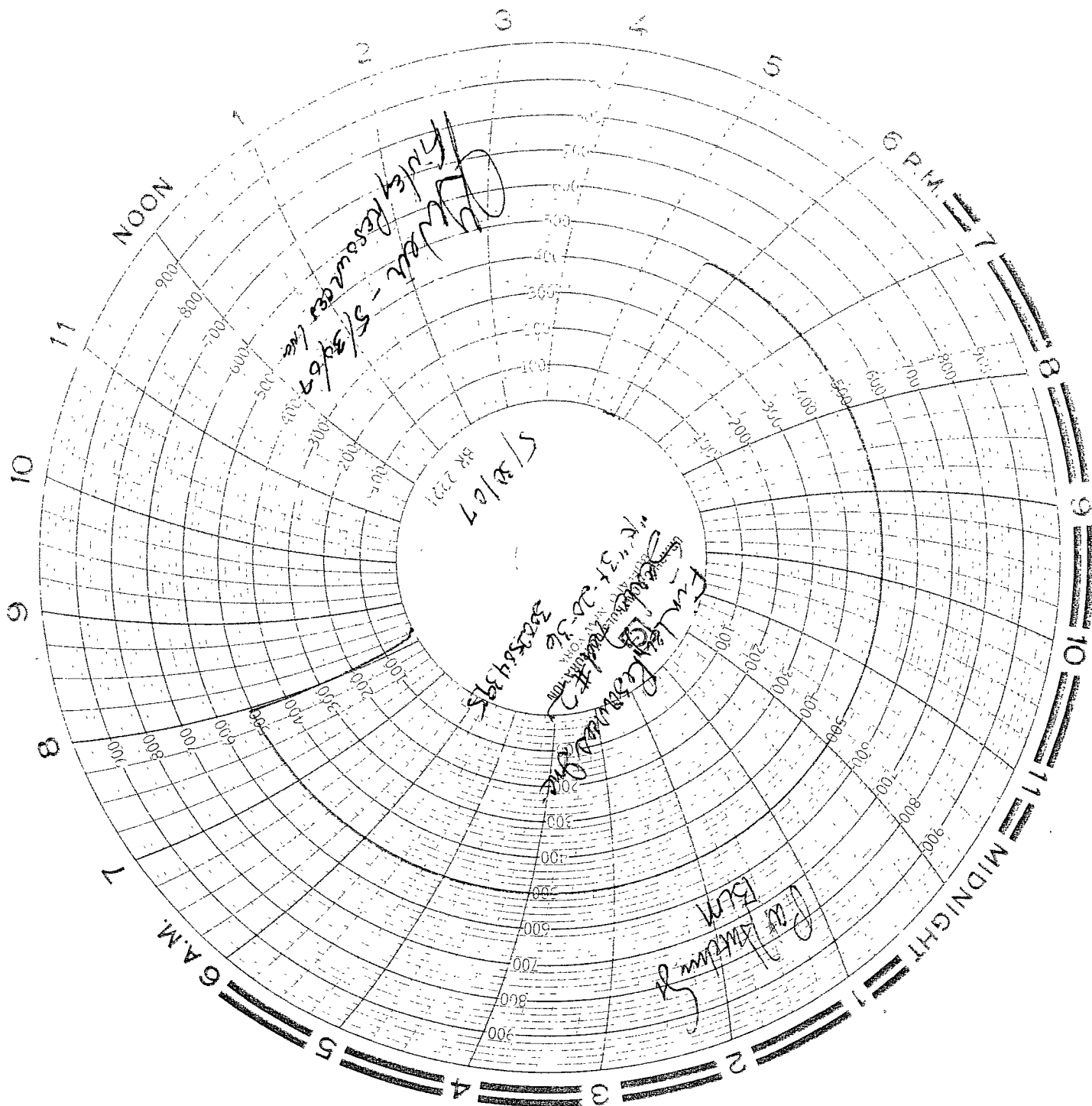
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GWW

Finley Resources Inc.		Operations Report			Geology	Doug Harrngton	214 763-6092
	Seale Fed #2		Operations	Jim Nance	(817) 832-3631		
817 336-1924	LEA COUNTY		Site Supv	Jim Evans	(505)441-5175		
806 229-6887			Rig	3 D			
DATE	ACTIVITY	Zone/Depth	DAILY COST	CUM COST			
	TA Well		\$0				
01/10/06	MIRU 3 D Well Service (Jose Castro-Operator). NDWH NUBOP (Mesa). Move in pipe trailer. RIH w/ 5-1/2" CIBP (Hudson-Weatherford) on 2-3/8" WS Set @ 3300' (Top perf @ 3360') POH w/ tbg & setting tool RIH w/ pkr to 3296' Test CIBP to 1000# - OK. Providence pump trk circ hole w/ pkr fluid. (Unichem/BJ Techni-Hib 370) Test csg to 500#. Bleed to 0# in 1 minute. Csg would not hold pressure Possible hole in csg-air in pkr fluid. Will retest in a.m. SDFN.	JGW	\$9,300	\$9,300			
01/11/06	CTL. Pump trk delayed. Called for different pump trk. Serria pmp trk showed up. Isolate csg leak 126' to 156'. Able to circ out surface csg valve. (Circ backside clear). POH w/ tbg & pkr. RIH w/ tbg. SDFN	JGW	\$6,600	\$15,900			
01/12/06	CTL. POH laying down tbg NDBOP. NUWH w/ 1 jt 2-3/8" tbg. RDMO	JGW	\$1,900	\$17,800			
	TA WELL		\$0				
05/25/07	MIRU Basic Well Service (Ignacio Alvarado - Operator). NDWH. NUBOP (ABC). SDFN	JGW	\$3,238	\$3,238			
05/26/07	SDFWE		\$0	\$3,238			
05/27/07	SDFWE		\$0	\$3,238			
05/28/07	SDFHO		\$0	\$3,238			
05/29/07	CTL. RU Gray Wire Line. RIH w/ 3-1/8" slick gun & perf 5-1/2" csg @ 175' w/ 1 JSPF [Csg leak 126' to 156']. RD Gray WL. RIH w/ 300' of 2-3/8" tbg. RU BJ Services. Spot Gel pill from 300' to 175'. POH lay down 2-3/8" tbg BJ pump 50 sxs CL "C" cmt w/ 3% CaCl2 down 5-1/2" csg & out 8-5/8" surface csg. Circ cmt to surface & squeeze 1/2 bbl cmt. SDFN. WOC.	JGW	\$15,175	\$18,413			
05/30/07	CTL. RIH w/ BP tbg & tag cmt @ 80'. POH lay down tbg RU Key pump truck for MIT Called Patricia Hutchings w/ BLM to witness charted MIT. Pressure to 500# for 30 min w/ no loss of pressure. Patricia Hutchings w/ BLM signed MIT chart that passed for TA. RD Key. RDMO.	JGW	\$3,438	\$21,851			





FINLEY RESOURCES INC
SEALE FEDERAL #2
LEA CD NM
Unit K. SEC. 34-T20S-R34E

BS 30 07
SERGIO ZAMBRANO
KEY #412

TRK # D108227 1302757
Lst CALIBRATED 5115107

TB 0 PSI (TA)
SURFACE 0 PSI
CASING 0 PSI

[Signature]

