

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <i>Y</i>	
2. Name of Operator <b>Palisades Asset Holding Company, LLC dba Palisades Operating Company</b>	
3a. Address <b>223 W. Wall St. Ste 825</b>	3b. Phone No. (include area code) <b>432-686-7159</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>Section 25, T-13-S, R-31-E, Unit Letter D 660 FNL &amp; 660 FWL</b>	

5. Lease Serial No. <b>LC-068288-A</b>
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No. <b>Rock Queen Sand Unit Unit</b>
8. Well Name and No. <b>Well #54</b>
9. API Well No. <b>30-005-00863</b>
10. Field and Pool, or Exploratory Area <b>Caprock Queen</b>
11. County or Parish, State <b>Chaves County, New Mexico</b>

**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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input type="checkbox"/> Other <b>Re-Activate Injection Well</b>

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.)

**Re-Activate Injection Well #54**

1. MI & RU Well Servicing Rig
2. TOH with injection tubing
3. Clean out well to TD
4. Test Casing with Packer
5. Deepen well 10'
6. Compensate neutron log
7. Run a bond log & casing inspection log
8. Trip in hole with new internally coated tubing w/packer
9. Circulate packer fluid
10. Take integrity test
11. Place well on injection

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

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

**Herbert F. Boles**

Title **Managing Member**

Signature

Date

**06/21/2007**

**ACCEPTED FOR RECORD FOR FEDERAL OR STATE OFFICE USE**

Approved by

**/S/ DAVID R. GLASS**

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 1201, 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 representations as to any matter within its jurisdiction.

(Instructions on page 2)

*GWW*

