

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED  
OMB No 1004-0135  
Expires November 30, 2000

**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
2	Name of Operator <b>Sahara Operating Company</b>
3a	Address <b>P O Box 4130, Midland, TX 79704</b>
3b	Phone No (include area code) <b>432/697-0967</b>
4	Location of Well (Footage, Sec., T, R, M, or Survey Description) <b>660' FSL &amp; 660' FWL, Sec 30, T26S, R33E, NMPM Unit Letter "M"</b>

5	Lease Serial No <b>NM-02791 A</b>
6	If Indian, Allottee or Tribe Name
7	If Unit or CA/Agreement, Name and/or No <b>North El Mar Unit NM 70994 X</b>
8	Well Name and No. <b>North El Mar Unit #38</b>
9	API Well No <b>30 025 08433</b>
10	Field and Pool, or Exploratory Area <b>El Mar (Delaware)</b>
11	County or Parish, State <b>Lea County, N.M.</b>

**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 Treatment	<input type="checkbox"/> Reclamation	<input checked="" 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	

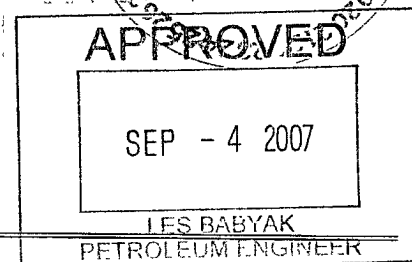
13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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.)

Status report of MIT on Temporarily Abandoned well.

We wish to preserve this wellbore for future enhanced oil recovery operations.

8 - 9 -2007 Pressure tested casing to 520 psi for 30 minutes  
Test witnessed by Andy Cortez, BLM

Wellbore is as follows: Casing: 4-1/2" @ 4699'  
Perfs: 4669'-4691'  
CIBP: @ 4640'



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

George McAlpine

Title Vice President

Signature

*George McAlpine*

Date

8/22/2007

**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

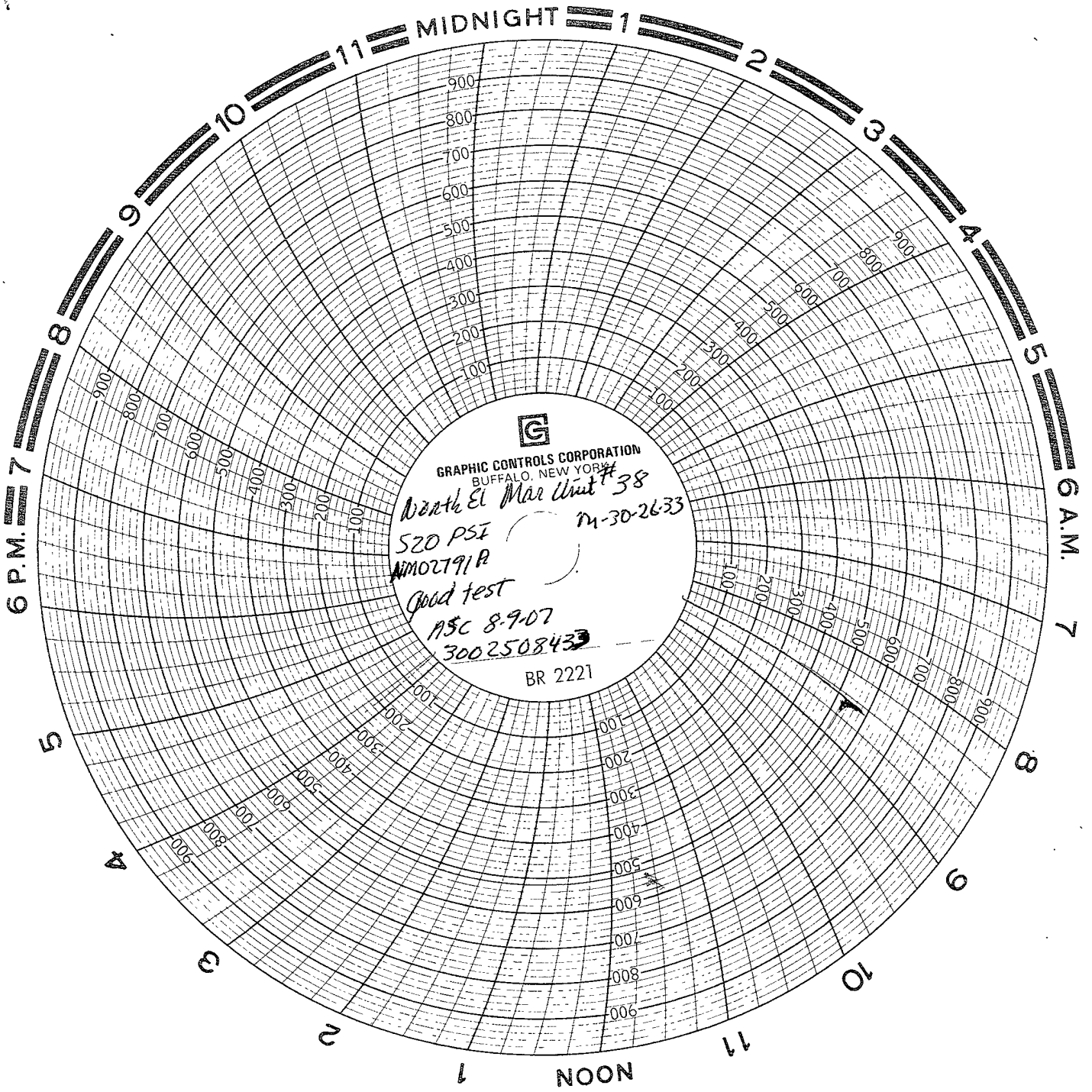
SEE ATTACHED FOR

CONDITIONS OF APPROVAL

Title 18 USC Section 1001 and Title 43 USC 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

APPROVED FOR 12 MONTH PERIOD  
ENDING 7/6/08

GWW



## CONDITIONS OF APPROVAL

Approval is contingent on diligent development of the North El Mar Unit for future enhanced oil recovery operations.

As per my letter of September 14, 2006 we require an updated status report every 90 days on all wells in this unit with a brief explanation of the future work that is projected to be done on each well. Please send this report to Ms. Andrea Massengill at the BLM, Hobbs Field Station, 414 West Taylor, Hobbs, NM 88240 (505) 393-3612.

We appreciate your cooperation. Please call me anytime should you have any questions.

Sincerely,  
Les Babyak  
Petroleum Engineer  
Carlsbad Field Office  
Carlsbad, NM  
(505) 234-5947