

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 ☐ Other2. Name of Operator
Seely Oil Company3a. Address
815 W. 10th St., Ft. Worth, TX 76102

3b. Phone No. (include area code)

817-332-1377

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

1650' FNL & 2210' FWL
UL: F Sec. 18-T18S-R34E

5. Lease Serial No.

LC-065394-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Mescalero Ridge "F" Federal No. 1

9. API Well No.

30-025-38409

10. Field and Pool, or Exploratory Area

Mescalero Escarpe (Bone Spring)

11. County or Parish, State

Lea County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒
- Notice of Intent
-
- ☐
- Subsequent Report
-
- ☐
- Final Abandonment Notice

- ☐
- Acidize
-
- ☐
- Alter Casing
-
- ☐
- Casing Repair
-
- ☐
- Change Plans
-
- ☐
- Convert to Injection

- ☐
- Deepen
-
- ☐
- Fracture Treat
-
- ☐
- New Construction
-
- ☐
- Plug and Abandon
-
- ☐
- Plug Back

- ☐
- Production (Start/Resume)
-
- ☐
- Reclamation
-
- ☐
- Recomplete
-
- ☐
- Temporarily Abandon
-
- ☐
- Water Disposal

- ☐
- Water Shut-Off
-
- ☐
- Well Integrity

☒ Other Surface comminglingOPP TRASH
MARSHALL MARY

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.)

Seely Oil Company is requesting permission to commingle the oil and water production from the Mescalero Ridge "F" Federal No. 1 well (LC-065394-B) and the Mescalero Ridge Federal "E" No. 1 well (NM-0559378). Seely believes that the "footprint" of the Mescalero Ridge "F" Federal No. 1 can be reduced by using the same oil and gas storage facilities. The gas will be metered separately (see enclosed sketch showing Allocation Method). The oil and water will be metered to accurately reflect the production from the Mescalero Ridge "F" Federal as shown on the attachment. Both wells are completed in the Mescalero Escarpe Bone Springs Field and the ownership is the same for both the wells.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

David L. Henderson

Title Executive Vice President

Signature

David L. Henderson

Date

07/23/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Office

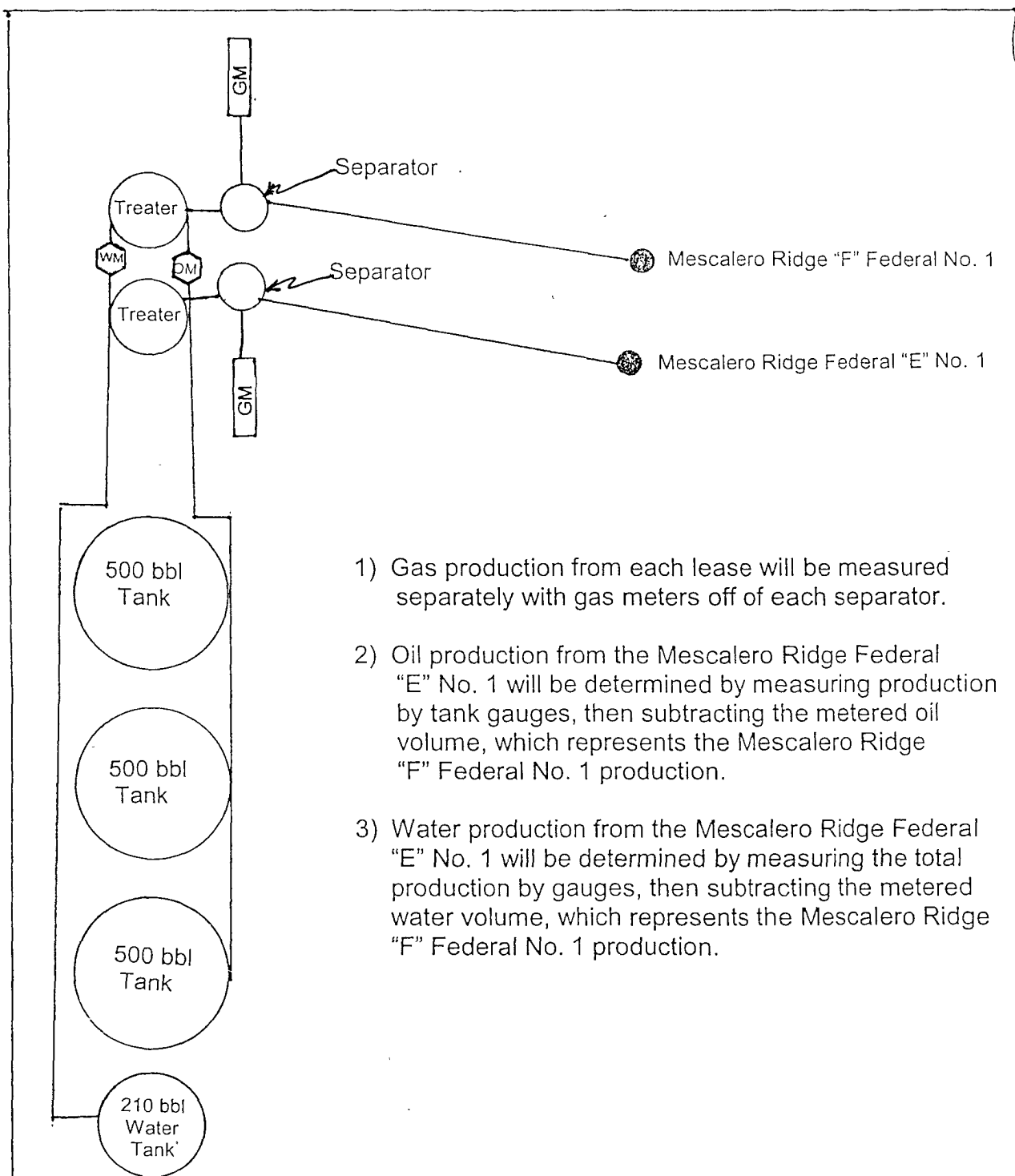
APPROVED

AUG 10 2007

FREDERICK WRIGHT
PETROLEUM ENGINEER

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)



- 1) Gas production from each lease will be measured separately with gas meters off of each separator.
- 2) Oil production from the Mescalero Ridge Federal "E" No. 1 will be determined by measuring production by tank gauges, then subtracting the metered oil volume, which represents the Mescalero Ridge "F" Federal No. 1 production.
- 3) Water production from the Mescalero Ridge Federal "E" No. 1 will be determined by measuring the total production by gauges, then subtracting the metered water volume, which represents the Mescalero Ridge "F" Federal No. 1 production.

Sketch Showing Allocation Method
Mescalero Ridge Federal "E" No. 1
and
Mescalero Ridge "F" Federal No.
Lea County, New Mexico

Date: 7/22/07

SEELY OIL COMPANY

Not to Scale

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted for the Off Lease measurement of production, subject to the following stipulations:
2. Operator will provide information on the pressure ratings of the flow lines and the pressures that the lines are anticipated to be exposed to in their application for the right of way for the line.
3. Operator will provide as built diagrams showing the locations of all lines and meters.
4. Operator will provide a copy of the SWD permit for the produced water, together with a water analysis of produced water.
5. The produced oil from this well will be produced and gauged in a separate tank.
6. All of this information should be provided in a SR sundry.

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 7/24/07