

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

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Breck Operating Corp.

3a. Address

P.O. Box 911, Breckenridge, TX 76424

3b. Phone No. (include area code)

(254) 559-3355

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

SE NE Sec 1, T20N R33E S1980' FNL & 660' FEL

5. Lease Serial No

NMNM40406

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Grace Federal #1

9. API Well No.

30-025-30896

10. Field and Pool, or Exploratory Area

Teas Bone Springs

11. County or Parish, State

Lea, NM

**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 type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Text	<input checked="" 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 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 of or recompleat in a new interval, a Form 3160-5 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.

Breck Operating Corp is submitting the following Reclamation Plan for the old reserve pit area in the Northeast corner of the old well pad.

- 1) Remove all contaminated soil from the site of the old reserve pit. The contaminated soil will be sent to a BLM approved land farm for rehabilitation.
- 2) Fill areas where soil has been removed with new topsoil. This soil will be contoured to match the surrounding terrain.
- 3) Seed area with BLM recommended seed mix.

We anticipate this work will begin in the first quarter of 2008.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

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

DANIEL D. WILSON

Title Vice President / Production Manager

Signature

Date October 17, 2007

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

**APPROVED**

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

OCT 23 2007

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.

SUPERVISOR-EPS

GWW

Breck Operating Corporation  
P. O. Box 911  
Breckenridge, TX 76424

NMNM40406; Grace Federal #1  
1980 FNL & 660 FEL, Sec. 1, T20S, R33E  
Lea County, New Mexico

Conditions of Approval

1. Pit reclamation is also subject to New Mexico Oil Conservation Division standards and authorization.
2. Upon closure, contour the area and rip and reseed with seed mixture #2.
3. Pit reclamation to be completed within 90 days of authorization.
4. Contact Bob Ballard at 505-234-2230 prior to start and prior to seeding.

Contact Jim Amos at 505-234-5909, if you have questions.