

OCD-HOBBS

Form 3160-5
(April 2004)

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
☒ 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)
1980' FNL & 660' FEL of Section 27 - 20S - 36E
Unit H

5 Lease Serial No

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No
Federal D #3

9 API Well No
30-025-04352

10 Field and Pool, or Exploratory Area
Eumont (Y-7R-Q)

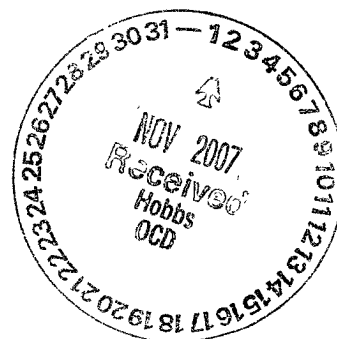
11 County or Parish, State
Lea

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 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 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.)

ISet CIBP @+- 3850'. Test plug to 1000 #. Test csg to 500# and chart. Notify BLM/OCD for witness. File chart.



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

Crystal Martinez

Title **Production Analyst**

Signature

[Handwritten Signature]

Date

10/18/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title **PETROLEUM ENGINEER**

Date **OCT-30-2007**

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 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.

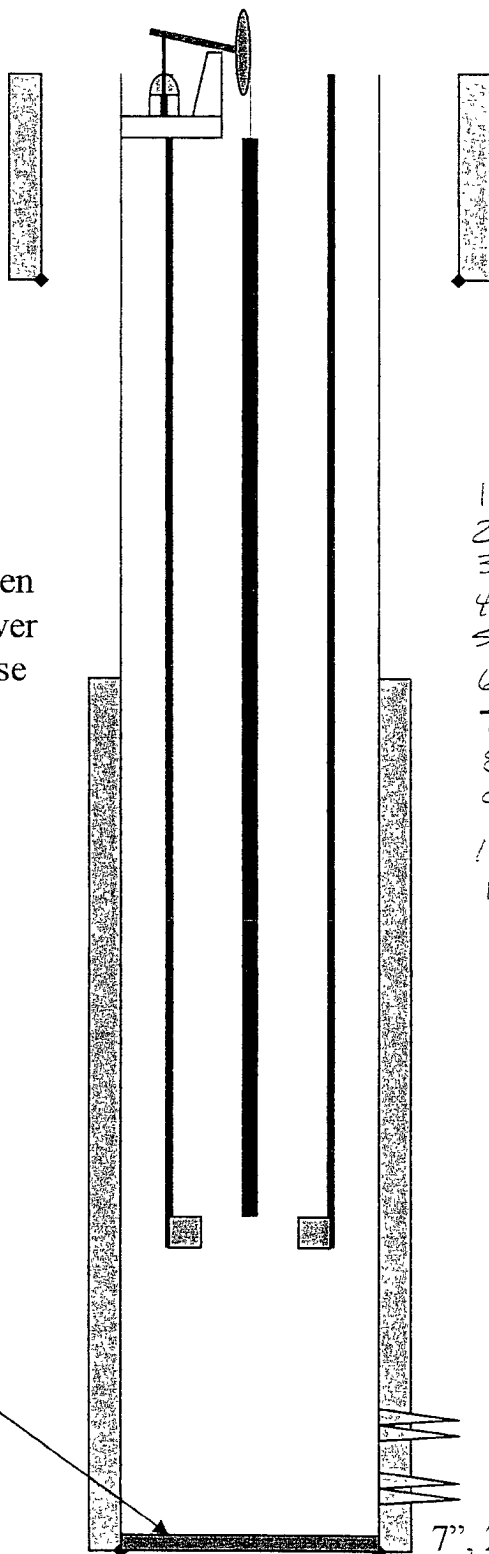
(Instructions on page 2)

TK Procedure

Federal D #3

1980' FNL, 660' FEL, Sec 27H
T20S, R36E Lea Co., NM
Eumont Field completion Date: 9/18/54

KB 3592' (12,2')
API # 30 025 04352
NM ID 1150036



Potential:
Open upper
7 Rivers/Queen
& add to Lower
Queen/Penrose

9 5/8" @ 305' w/ 300 sx. Circ.

Status. Active
Allen D40A-36
12 spm, 36", 10 hp EM
5.5" x 17" sheaves
3-B136 belts, 28.4 gear ratio

1. Set CIBP @ 3900' w/ 20' cement
2. Test csg to 500#. If tests, chat = file
3. LD oil equipment + secure well
4. If no test, locate leaks.
5. Pump 50' below leaks
6. Spot cement across leaks + Pump.
7. Set pkr well above leaks.
8. Pump 100 SKS cement + attempt to cement.
9. Displace cement to 100' above leaks.
10. WOC. Tag + test csg to 500#.
11. Secure for TA.

Stimulation
9/54 7000 gal oil, 7000# sd
7/55 20000 gal oil, 20000# sd

Yates 7 Rivers Queen Perfs:

3912-4000' (352 bullets)

Penrose Perfs:

4012-60'. Swb 250 bo, 25 bw

7", 23#, J-55 @ 4075' w/ 800 sx, TOC 2351' (TS)

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220-6292
(505) 234-5972

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporary abandoned well is defined as a completion that is not capable of production in paying quantities but may have value as a service well. Pursuant to 43 CFR 3162.3-4(c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - A. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - B. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - C. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - D. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - E. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Chaves and Roosevelt County, call (505) 234-5972; Lea county (505) 393-3612.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for a 12 month period provided by the operator.

1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
2. Attaches a clear copy of the original pressure test chart.
3. Provided justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.
4. Describes the temporary abandonment procedure.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.