

UNITED STATES Oil Conservation Division, District
DEPARTMENT OF THE INTERIOR, French Drive
BUREAU OF LAND MANAGEMENT, Hobbs, NM 88240

FORM APPROVED
DM B 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.

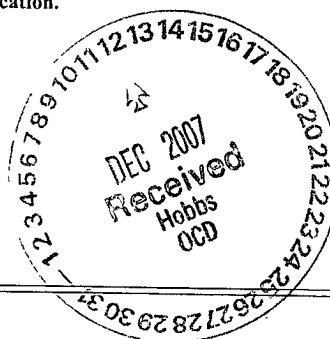
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM0202771A
2. Name of Operator Novy Oil & Gas, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 125 N. Market, Suite 1230, Wichita, KS 67202	3b. Phone No. (include area code) 316-265-4651	7. If Unit or CA/Agreement, Name and/or No. NM 061P3587C427
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit Letter "G" 1980' FNL & 1830' FEL, SW NE Sec. 1-9S-34E		8. Well Name and No. Government C Com #1
		9. API Well No. 30-025-23737
		10. Field and Pool, or Exploratory Area Vada Penn
		11. County or Parish, State Lea Co., 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 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 checked="" 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 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.)

1. Rig up rig to plug well
2. Trip in the hole with packer and tubing. Set packer at 2400 feet and load backside. test casing to 300 psi.
3. Rig up and pump 400 sacks of class A light cement at 12#/gal should load the hole. release packer and circ tubing clean.
4. tag cement if ok pull out of the hole. Cut 5 1/2 casing at 2300 and pull casing. spot 50 Sk plug at shot point.
5. cut 8 5/8 as deep as possible and pull casing, spot 50 Sack plug at shot point, Spot remaining plugs as per BLM requirements.
6. Rig down and move out. Clean all equipment from location, rip and reseed location.



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Michael E. Novy		Title Vice President
Signature <i>Michael E. Novy</i>		Date 11/07/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Chris Williams</i>	OC DISTRICT SUPERVISOR/GENERAL MANAGER	APPROVED DEC - 6 2007 GARY GOURLEY PETROLEUM ENGINEER
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 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)		

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Well

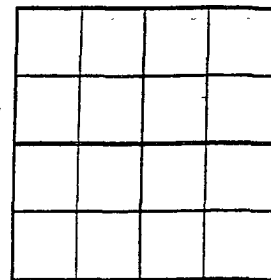
F.E.N. 10-15-07

PLAN - O - G R A M

Company NOVY OIL & GAS, INC.

Well No. 1 Lease GOVERNMENT C' COM
UNIT Hatter 'G'

SEC. 1-T9S-R34E Lea Co., N. Mex
Elev - 4217 Gr. = 4233 K.B.



11 3/4" - 42# H40 @ 400' w/400 SX.

Temp Survey - Top Cmt @ 2050'

2 7/8" T69 Collar @ 2430

CollAPSe @ 2434 - mill 2' 2" in 3 Hrs. Pull - Run 2nd mill - TAG UP 33' Higher - Could NOT Work OVER FISH.

Top 7/8" Rods @ 2645.

8 5/8" - 32# & 24# K55 @ 4156 w/675 SX.

Temp Survey - Top Cmt. @ 8150'

Abc Perfs - 8910-20 Squeezed w/250 SX - June 2006 - squeeze @ 1500 #

Bo'c' Perfs - 9728-34

PBTD: 9758

5 1/2" - 17# N80 & K55 @ 9830' w/250 SX.

Cementing

Special Tools

Acidizing

Chemical Services

Formation Testing

Fracturing

Dump Bailer

Casing Equipment



$1\frac{3}{4}" @ 400'$

> TOC 2050' <

$8\frac{5}{8}" @ 4156'$

> TOC @ 8150' <

Abc Perfs 8910
 - 8926
 (Squeezed)

$5\frac{1}{2}" @ 9830'$

propose TO CUT $8\frac{5}{8}"$ deep as possible but
 above TOC @ 2050 Ft., $8\frac{5}{8}"$ stub plug or fill hole.

propose CUT $5\frac{1}{2}" @ 2300 Ft.$, $5\frac{1}{2}"$ stub plug or fill.

1) TAG top of fish find depth.

2) Cut and retrieve $5\frac{1}{2}"$ casing at approximately 2300 ft.

3) Set $8\frac{5}{8}"$ packer 50 ft. above stub, pump 500 sx lite cmt at a slow rate 1 to 2 bbl per minute to bring cmt over stub. Pressure to 500 psi and hold until cmt sets, TAG. If unable to tag pump additional cmt sufficient to place top of plug at least 50 ft above stub and TAG.

4) Attempt to cut and retrieve $8\frac{5}{8}"$ casing above TOC @ 2050 ft. or as deep as possible.

5) Pump 35 sx or 100 ft minimum ($8\frac{5}{8}"$ stub plug), WOC and TAG.

6) Set 100 ft balanced plug 450 to 350 ft., WOC and TAG.

7) Perf and Sqz surface plug minimum 50 ft.

- An alternative would be to pump approximately 600 sx from $8\frac{5}{8}"$
- Stub To surface.

**BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
505-627-0272**

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon. **If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 505-627-0272, Eddy County call 505- 234-5972; for wells in Lea County call 505-393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C", for up to 7,500 feet of depth, mixed at 14.8 lbs./gal. with 6.3 gallons of fresh water per sack or class "H", for deeper than 7,500 feet plugs, mixed at 16.4 lbs./gal. with 4.3 gallons of fresh water per sack.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.