

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OM 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
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Finley Resources, Inc.

3a. Address
1308 Lake Street, Ste. 200, Fort Worth, TX 76102

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.
NW 18264

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

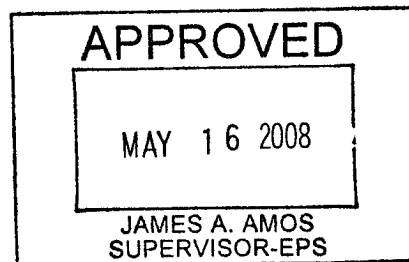
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 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.)

Proposed procedures to P&A - CIBP set @ 3900' with 25 sacks minimum plug - to be tagged at 3775' or shallower
Plug set at base of salt @ 3200' with 25 sacks minimum plug
Plug set at top of salt @ 1950' with 25 sacks minimum plug
Plug at base of surface perforations @ 135' Circulate and set 50 sack plug. Tag plug at 250'
Set a 60' plug at surface and cut off 3" BGL
Weld on steel plate and DH marker

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



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

Bob Howell

Title Western District Manager

Signature

Robert B. Howell

Date

05/05/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Chris Williams

Title

Date JUL 01 2008

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

Federal D #3
Finley Resources, Inc.
November 28, 2007
Plug and Abandonment Procedure
Conditions of Approval

1. Contact BLM office 24 hours prior to starting procedure (575) 393-3612.
2. Plug at 3900' is to be 140' in length and a minimum of 25 sacks of Class C cement. Plug to be tagged at 3775' or shallower.
3. Plug required at top of Yates/Base of Salt. This plug should be 130' in length (minimum of 25 sacks - Class C) and set at 3200' and should be tagged at 3080' or shallower.
4. Plug is required at top of Salt both inside and outside of casing. Two options are available for this plug, which is to be set at 1950' and is to be tagged at 1825' or shallower. Plug to be a minimum of 25 sacks. Annulus plug to be set at the same depth. Annulus plug should be attempted first. If not successful with coiled tubing, perforation attempt to be made at 1950'. Annulus plug to be tagged along with interior casing plug.
5. Shoe plug to be set at 355' and tagged at 250' or shallower in the casing and annulus (25 sack minimum).
6. Fill annulus so that a minimum of a 60' plug is left in the annulus. Fill casing from top of fish to surface. All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper).

WWI 112807

J. Amos 5/16/08

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

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 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

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 specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

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, name of the operator, lease serial number, surveyed location (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.