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Form 3160-5
(September 2001) 7009

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0135
Expires January 31, 2004

HOBBS

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. NM-86151
2 Name of Operator TEXAS REEXPLORATION OPERATING, L.C.	6 If Indian, Allottee or Tribe Name
3a Address 3025 MAXROY STREET, HOUSTON, TX 77008	7 If Unit or CA/Agreement, Name and/or No.
3b Phone No. (include area code) 713-622-2425	8 Well Name and No. BLUE QUAIL FEDERAL #1
4 Location of Well (Footage, Sec., T, R, M., or Survey Description) 660' FSL & 1980' FEL SEC. 7 - T23S - R32E (UNIT O) NMPM	9 API Well No. 30-025-33222
	10 Field and Pool, or Exploratory Area SAND DUNES; 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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input checked="" type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other

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 recomple 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 recompletion 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.)

05/31/08

THIS WELL SHARES A COMMON TANK BATTERY WITH SHARBRO FEDERAL #1, SHARBRO FEDERAL #6, SHARBRO FEDERAL #7, SHARBRO FEDERAL #8, BLUE QUAIL FEDERAL #2, AND BITSY #1. THIS COMMON TANK BATTERY PRODUCES APPROX. 13,350 BBLs OF WATER PER MONTH. WATER IS STORED IN 500' BBL FIBERGLASS TANK. WATER IS MOVED THROUGH A 6" POLY LINE TO THE YATES PETROLEUM CORPORATION'S KIWI SWD #8, NMOC ORDER #SWD-510, LOCATED 1980' FNL & 2310' FWL IN THE DELAWARE FORMATION, UNIT E, SEC. 16 - T22S - R32E LEA CO, NM. IN EMERGENCY, WATER WILL BE TRUCKED.

Submit for approval of
alternative disposal facilities
prior to trucking any produced
water

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

Robert B. Hillin

Signature

Title President

Date 06-02-08

ACCEPTED FOR RECORD

JUN 27 2008

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Chris Williams

OC DISTRICT SUPERVISOR/GENERAL MANAGER

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

Date

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)