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Form 3160-3
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

JUN 02 2008

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 TEXAS REEXPLORATION OPERATING, L.C.

3a Address
3025 MAXROY STREET, HOUSTON, TX 77008

3b Phone No (include area code)
713-622-2425

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

990' FNL & 660' FEL
SEC. 17 - T23S - R32E (UNIT A) NMPM

5 Lease Serial No
NM-62223

6 If Indian, Allottee or Tribe Name

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

8. Well Name and No.
SHARBRO FEDERAL #5

9 API Well No.
30-025-34962

10 Field and Pool, or Exploratory Area
DIAMONDTAIL; DELAWARE, SW

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 type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" 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 type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input checked="" 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 recompleate 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 recompleation 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 #2, SHARBRO FEDERAL #3, AND SHARBRO FEDERAL #4. THIS COMMON TANK BATTERY PRODUCES APPROX. 14,700 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 CORPORATIONS' KIWI SWD #8, NMOCD 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

ACCEPTED FOR RECORD

JUN 27 2008
/s/ JD Whitlock Jr

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

Robert K. Hillin

Signature

Title President

Date 6-02-08

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Chris Williams

OC DISTRICT SUPERVISOR/GENERAL MANAGER

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

Title 18 USC Section 1001 and Title 43 USC 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)