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New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

Form 3160-5
 (August 2007)

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

FORM APPROVED
 OMB No. 1004-0137
 Expires: July 31, 2010

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.

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
 EOR Operating Company

3a. Address
 One Riverway, Suite 610, Houston TX.77056

3b. Phone No. (include area code)
 800-856-9494

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 C-26-07S-33E - 660N/1980W

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

8. Well Name and No.
 Morgan B Federal #5

9. API Well No.
 30-041-10457

10. Field and Pool or Exploratory Area
 Chaveroo - 12049

11. Country or Parish, State
 Roosevelt

12. CHECK THE 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 checked="" 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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

EOR Operating Company is in the process of getting the Change of Operatorship completed from Chi Operating Inc. We have been operating the Chaveroo Field for a few months and have reactivated several wells in the Chaveroo Field and would like the opportunity to reactivate the Morgan B Federal #5 well.

Our intent is to reactivate as many of the existing wells as possible within the next 12 to 18 months and have reactivated approximately 50 wells in this field. There are extremely limited production facilities currently viable in this field as it has been severely neglected over the last several years. Within the next several months we hope to have the entire Chaveroo Field Unitized and construct new central facilities for oil handling and gas gathering.

Our long range plan is to CO2 flood the field - 24 to 48 months.

The Morgan B Fed. #5 well is on our list to reactivate and we will perform/install the following:

Surface - Pumping Unit, Well Head (Connections), flow line/gas line, Electrical

Facility - If there is a facility available to produce into we will clean/blast and coat all oil, water and production vessels/ tanks, rebuild containment and fencing, if there is not any infrastructure worth salvaging we will set frac tanks until such facility is available.

Downhole - MIRU Pulling Unit, tag for fill, circulate fill with reverse unit to clean out, RIH w/new rods, tubing and pump and return well to production.

PLEASE REFERENCE WRITTEN ORDER NUMBER "0801PS01W"

Start Date - August 1, 2008 - or as soon as we have clearance to proceed.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
 Andy Chalker - (432) 687-0303

Title Sr. Production Supervisor

APPROVED FOR 1 MONTH PERIOD

Signature

Andy Chalker

Date 07/16/2008

ENDING AUG 22 2008

ACCEPTED FOR RECORD

SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

JUL 22 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.

Title 18 U.S.C. Section 1001 DAVID R. GLASS Section 1212, make it a crime for any person known to be fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Accepted For Record Only! Approval Subject To Returning Well To Continuous Production And Keeping Well On Continuous Production Or Plugging Well With An Approved Plugging Program!

false,

(Instructions on page 2)

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