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OCT 15 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 page 2.

## 1. Type of Well

☐ Oil Well☒ Gas Well☐ Other

## 2. Name of Operator

H. L. Brown Operating, L.L.C. ✓

## 3a. Address

300 W. Louisiana  
Midland, TX 79701

## 3b. Phone No. (include area code)

(432) 683-5216

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

1650' FN&EL Sec 10  
T-8-S, R-37-E

## 5. Lease Serial No.

NM 23018

## 6. If Indian, Allottee or Tribe Name

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

## 8. Well Name and No.

Federal "J" No. 1 ✓

## 9. API Well No.

30-041-20505 ✓

## 10. Field and Pool or Exploratory Area

Bluitt Wolfcamp ✓

## 11. Country or Parish, State

Roosevelt County, NM ✓

## 12. CHECK THE 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 type="checkbox"/> Plug and Abandon     | <input type="checkbox"/> Temporarily Abandon       |   |
|  | <input type="checkbox"/> Convert to Injection | <input checked="" 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.)

Subject well is completed in the Wolfcamp gas zone; declining reservoir pressure and increased water production required installation of plunger lift equipment in 1993 and later rod pumping equipment in 2003. With continuing declining bottom hole pressure, maintaining economic production levels has become increasingly difficult.

An attempt will be made to complete in the San Andres to restore production in an effort to avoid abandoning this wellbore. A CIBP with 35' of cement on top will be set above the Wolfcamp to abandon that producing zone. A completion attempt will first be made in the San Andres P2 zone; if that attempt proves to be unsuccessful, then an attempt will be made to establish production from the P1 zone.

A completion rig should be available after 10-08-08.

## 14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Carlton Wheeler

Title Operations Manager

Signature

Carlton Wheeler

Date 10/02/2008

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date

OCT 07 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.

(Instructions on page 2)