Form 3160-5 (August 2007)

1

N.M. Oil Cons. Division

UNITA625 ANE French Dr.

DEPARTMENT 65 SHE NIN R 88240 BUREAU OF LAND MANAGEMENT

5. Lease Serial No

| | | | | NIVI-046153A | | |
|--|---|--------------------------|--|--|------|--|
| 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. | | | | 6. If Indian, Allottee or Tribe Name | | |
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | | | 7. If Unit of CA/Agreement, Name and/or No. | | |
| Type of Well Gas Well Other | | | | 8. Well Name and No. Western Reserves 34 Federal #3 | | |
| . Name of Operator nervest Operating, L.L.C. | | | | 9 API Well No. 30-005-20739 | / | |
| a Address | 3b. Phone No. (include area code) 713.495.1514 | | 10. Field and Pool or Exploratory Area | | | |
| 001 Fannin Street, Suite 800 ouston, Tx 77002 | | | | Tom Tom;San Andres | | |
| Location of Well (Footage, Sec., T., R., M, or Survey Description) | | | | 11 Country or Parish, State | | |
| 30' FNL & 2310' FWL of Sec. 34, T7S-R31E Unit C | | \mathcal{J} | | Chavez County, NM / | | |
| 12 CHEC | CK THE APPROPRIATE BO | OX(ES) TO INDICATE NATUR | E OF NOTIO | CE, REPORT OR OTHER DATA | | |
| TYPE OF SUBMISSION | | TY | ION | | | |
| | Acidize | Deepen | ✓ Prod | uction (Start/Resume) Water Shut | -Off | |
| Notice of Intent | Alter Casing | Fracture Treat | Recl | amation Well Integr | ity | |
| Subsequent Report | Casing Repair | New Construction | Reco | mplete Other | | |
| | Change Plans | Plug and Abandon | Tem | porarily Abandon | | |
| Final Abandonment Notice | Convert to Injection | Plug Back | Wate | er 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 recomplete 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 recompletion 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.)

Production for this well resumed on 8/1/2008. Current welltest: 2.75 BOPD, 0 Gas, 30 BBLs Water. Revised C-115/OGAR reports will be filed.

RECEIVED

FORM APPROVED

OMB No 1004-0137

Expires July 31, 2010

FEB 16 2004

| | HOBBSOCD | | | |
|---|--|--|--|--|
| | | | | |
| 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) | | | | |
| Shirley Galik | Title Sr. Regulatory Tech | | | |
| Signature Shirley Halik | Date 02/02/2009 | | | |
| ACCEPTED FOR RECORD FOR FEDE | RAL OR STATE OFFICE USE | | | |
| Conditions of approval, if any late placed Approval of this notice does not warrant or contact that the applicant holds legal or equitable title to those rights in the subject lease which we entitle the applicant to conduct operations thereon. Title 18 U S C Section 1001 applying 4 RUCAS con 1212, make it a crime for any perfectitions or fraugulent superior properties of pany matter within its jurisdiction (Instructions on page 2) | Accepted For Record Only! Approval Subject To Returning Well To Continuous Production And Keeping Well On Continuous Production! | | | |