

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0135

Expires November 30, 2000

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 NMNM40406
2	Name of Operator Breck Operating Corp.	6	If Indian, Allottee or Tribe Name
3a	Address P.O. Box 911, Breckenridge, TX 76424	7	If Unit or CA/Agreement, Name and/or No
3b	Phone No (include area code) (254) 559-3355	8	Well Name and No Grace Federal #1
4	Location of Well (Footage, Sec., T., R., M., or Survey Description) SE NE Sec 1, T20S, R33E 1980' FNL & 660' FEL	9	API Well No 30-025-30896
		10	Field and Pool, or Exploratory Area Teas 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 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 Text	<input checked="" 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion of or recompleat 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.

Breck Operating has completed all the reclamation work except the re-seeding. Breck will notify Bob Ballard w/BLM prior to seeding

Attached you should find a copy of Remediation Closure Report prepared by Safety & Environmental Solutions, Inc.
Also, attached report from Argon Laboratories regarding results for samples analyzed.

RECEIVED

MAY 12 2009

HOBBSDO

14	I hereby certify that the foregoing is true and correct Name ((Printed Typed)) DANIEL D. WILSON		Title Vice President / Production Manager
	Signature 	Date June 6, 2008	ACCEPTED FOR RECORD
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by	Title MAY 9 2009	Office 	
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 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.			