Reclumation

Recomplete

Temporarily Abandon

| FORM APPROVED |
|-------------------------|
| OM B No. 1004-0137 |
| ON 0 NO. 1004-1137 |
| Exoires: March 31, 2007 |

Well Integrity

5 Lease Serial No.

| UNITED ST | ATES |
|----------------|--------------|
| DEPARTMENT OF | THE INTERIOR |
| BUREAU OF LAND | MANAGEMENT |

| N' ACIGUNDRY NOTICES AND REPORTS ON WELLS | | 1320310010 | |
|--|--|--|--|
| OBBS Do not use this form for prop abandoned well. Use Form 31 | osals to drill or to re-enter an 60-3 (APD) for such proposals. | 6. If Indian, Allonee or Tribe Name | |
| SUBMIT IN TRIPLICATE- Other instructions on reverse side. | | 7. If Unit or CA/Agreement, Name and/or No. | |
| Type of Well Oil Well Gas Well Name of Operator John H. Hendrix Corporation | Other | 8. Well Name and No. Mexico No. 1 9. API Well No. | |
| 3a. Address P. O. Box 3040 Midland, TX 79702-3040 | 3b. Phone No. (include area code) 432-684-6631 | 30-025-06163 10. Field and Pool, or Exploratory Area Eumont (Yates, 7 Ryrs Qn) Gas Pool | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey De 330° FNL & 330° FEL, Sec 18, T20S, R37E Unit L | | 11. County or Parish, State Lea Co. NM | |
| 12. CHECK APPROPRIATE BOX | ((ES) TO INDICATE NATURE OF NOTICE | , REPORT, OR OTHER DATA | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| Acidize | Deepen Production | (Start/Resume) Water Shut-Off | |

Plug Back Water Disposal Convert to Injection 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 despen 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 shall 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 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.)

Fracture Treat

New Construction

Plug and Abandon

1. Run GR-Neutron -Collar Log.

Notice of Intent

Subsequent Report

Final Abandonment Notice

2. Based on log, perforate Eumont approximately @ 3305-3450'.

3. Acidize, test. Will frac w/ 100,000# sand if initial tests prove economical.

Alter Casing

Casing Repair

Change Plans

SEE ATTACHED FOR CONDITIONS OF APPROVAL

SEE ATTACHED FOR CONDITIONS OF APPROVAL

| 14. Thereby certify that the toregoing is true and correct Name (Printed/Typed) Carolya Doran Havnes | le Engineer | |
|---|------------------|--|
| Signature Caeslin Doran Hayner Da | J J | APPROVED |
| THIS SPACE FOR FEDERAL O | R STATE OFFICE L | I II AV D COO |
| Approved by | Title | Date Jacob |
| 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 | WESLEY W. INGRAM PETROLEUM ENGINEER |

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, fletitious or fraudulent statements or representations as to anymatter within its jurisdiction.

Mexico No. 1 30-025-06163 John H. Hendrix Corporation May 8, 2009 Conditions of Approval

- 1. Contact the BLM at 575-393-3612 a minimum of 24 hours prior to starting the plug back procedure.
- 2. The well is currently out of compliance since the last TA approval expired on April 1, 2001. The BLM requires a TA request on an annual basis.
- 3. Cement top must be verified to ensure that there will be cement behind casing at the planned perforation depth. A temperature survey log or CBL showing TOC is acceptable. Estimated TOC is not acceptable.
- 4. Per the well bore diagram submitted in 1995, there appears to be an open hole section and then a 25' cement plug set from 3395-3415'. This plug is in the middle of the zone to be perforated. If this is accurate, that plug will have to be removed. A 140' plug will then be required at the bottom of the hole and is to be tagged at 3715' or shallower.
- 5. The existing perforations in the Grayburg must be plugged or a downhole commingle order requested as the existing pool does not include the Grayburg.
- 6. Per telecom with operator, a RBP will be set at 3450'.
- 7. A subsequent sundry detailing the work done is to be filed within 30 days of completing the work.
- 8. A completion report for the Eumont zones is to be submitted within 30 days of completion. This should specify the actual formation perforated.
- 9. Operator has 60 days to commence and complete the work detailed in this sundry.

WWI 050809