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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5 Lease Serial No NN118264
2 Name of Operator Finley Resources, Inc.		6 If Indian, Allottee or Tribe Name
3a Address PO Box 2200, Fort Worth, TX 76113	3b Phone No (include area code) 817-336-1924	7 If Unit or CA/Agreement, Name and/or No
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL & 330' FEL of Section 27 - 20S - 36E		8 Well Name and No Federal D 12
		9 API Well No 30-025-25737
		10 Field and Pool, or Exploratory Area Eumont (Yates, Queen)
		11 County or Parish, State Lea

12 CHECK 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"/> Well 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 checked="" 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 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.)

Proposed operation to TA the well and hold wellbore for future waterflood potential. POOH. w/tbg. Set CIBP @ 3120' (60' above top perf). Pressure test to 1000#, confirm MIT. Displace w/packer fluid. Secure well as TA'ed.

SUBJECT TO LIKE  
APPROVAL BY STATE

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL



Well last used as POW 8/2006

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Bob Howell		Title Western District Manager
Signature <i>Bob Howell</i>		Date 12/04/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 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 Office	Date
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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)

# Federal D #12

990' FNL, 330' FEL, Sec 27A

T20S, R36E Lea Co., NM

Eumont Field completion Date 3/17/78

KB 3593' (12')

API # 30 025 04358

NM ID 1150041

PROPOSED "TA'd" configuration

8 5/8" 28# H-40 @ 334' w/ 250 sx. Circ.

Status Active  
Allen D40-34  
12 spm, 34' 10 hp  
2-B128 belts 28:1 gear ratio  
5.5 x 17' sheaves  
Last Pump run in file  
2 x 1 1/2" x 12' RHBC  
Last tally 154 - 3/4'  
2 3/8" tbg 124jts

Potential:  
7 Rivers  
& Yates

Stimulation  
2/78 2400 gal acid, 30000 gal gel, 35500# sd  
3/78 2500 gal acid, 40000 gal gel, 50500# sd  
10/78 CIBP @ 3800' 1500 gal acid.  
2/80 6000 gal acid, 160mscf N2

B. Yates, 7 Rivers perfs:

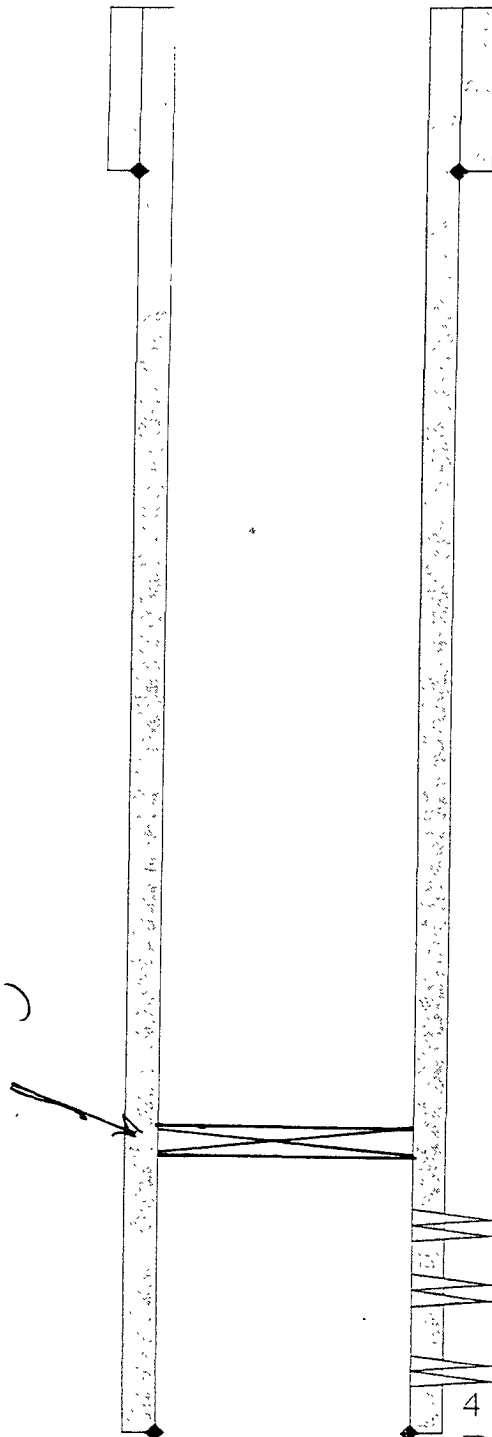
3180, 3327, 47, 57, 3419, 20, 22, 3628, 41'

Queen & Penrose Perfs:

Reperf 3876-90, 3960-70, 3976-88, 4059-69  
3867, 79, 87, 96, 3903, 62, 66, 76, 82, 88  
4061, 65, 71, 91, 4100, 09

4 1/2" 10.5#, J-55 @ 4123' w/ 1150 sx,  
TOC - Circ.

CIBP  
(to be set)  
@ 3120



**BUREAU OF LAND MANAGEMENT**  
**Carlsbad Field Office**  
**620 East Greene Street**  
**Carlsbad, New Mexico 88220**  
**575-234-5972**

**Temporary Abandonment of Wells on Federal Lands**  
**Conditions of Approval**

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
  - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
  - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
  - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
  - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
  - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.**

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval with well bore diagram with all perforations and CIBP's and tops of cement on CIBP's.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

**Federal D #12. Well may be approved to be TA/Sl for a period of 6 Months after successful MIT and subsequent report is submitted. This will be the last and only TA/Sl approval. Well must be P&A or plans to convert to WIW submitted by 6/1/2010. No bleed off is allowed on WIW MIT**