

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NM17252
2. Name of Operator John H. Hendrix Corporation	6. If Indian, Allottee or Tribe Name
3a. Address P. O. Box 3040	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) (432) 684-6631	8. Well Name and No. Llano Federal #1Y
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL and 723' FWL ULM, Sec. 23 - T20S - R38E	9. API Well No. 30-025-25870
	10. Field and Pool, or Exploratory Area Blinberry Oil & Gas
	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			
<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 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.)

Propose to TA well due to Southern Union Gas Services SI notice of low flow. Well will be evaluated for possible workover, sale of operating rights or plug & abandonment. Well will be returned to production or plug & abandoned on or before march 15, 2011.

Estate TA date: March 15, 2010

MIRU POOH w/ rods, pump & tbg.
GIH set RBP @ 5820'.
Load csg. w/ pkr., fluid & test to 500# w/ charge.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Carolyn Doran Haynes

Title Engineer

Signature

Date 02/10/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ JD Whitlock Jr EG 2/24/10	Title LOET	Date 2/24/10
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 CFO	

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)

Llano Fed #1Y

660' FSL & 723' FWL, Sec 23, T20S, R38E, Lea County, New Mexico

UL M

KB ELEV is 3562.5'

12 1/4" hole

API # 30-025-25870

OGRID # 012024

Fed. NM 17252

9 5/8" 36# csg @ 1572' cmt w/800 sx circ

8 3/4" hole

TOC @ 2850'

RBP @ 5820' (Proposal to TA Feb 2010)

Blinebry Perfs @ 5920-6177' (1978)

RBP @ 6450' (1978)

Tubb Perfs @ 6595-6724' (1978)

TD = 6855' PB 6450'

7" 35# csg @ 6855' w/900 sx TOC 2850'

Drawn	BY
Proposal	JHHC

John H. Hendrix Corporation
110 North Marienfeld Suite 400
Midland, TX 79702

Llano Federal #1Y
660' FSL & 723' FWL
SEC 23, T20S, R38E
Lea County New Mexico



301 Commerce Street, Suite 700
Fort Worth, TX 76102

817.302.9433 Fax: 817.302.9352

January 14, 2010

John H. Hendrix Corporation
Attn: Ron Westbrook
P.O. Box 3040
Midland, TX 79702-3040

Re: Contract # L-132 dated August 1, 2003 between Sid Richardson Energy Services Co., Southern Union Gas Services, successor in interest, and John H. Hendrix Corporation

Dear Mr. Westbrook:

Please be advised that the following meters have had low flow for the past 6 months. Therefore, it is uneconomical for Southern Union Gas Services, Ltd. to keep these meters connected to our gathering system.

<u>Meter #</u>	<u>Meter Name</u>	<u>County/State</u>
61918	Linda Federal #2	Lea County, NM
61948	Llano Federal #1 Y	Lea County, NM

Southern Union would like to disconnect these meters pursuant to the last paragraph of Paragraph D of the above referenced contract:

"Southern may elect, upon 30 days notice, to cease receipts of Seller's Gas at any of Seller's Delivery Points which have a volume of ten (10) Mcf per day or less. Seller understands and agrees that this action is to be considered a disconnect pursuant to the appropriate state regulations."

Should you have immediate plans to restore these wells to commercial production, please contact the undersigned within the next thirty days. Unless directed otherwise, our Measurement Department will disconnect these meters on the first regular business day following the expiration of thirty (30) days from the date of this letter.

Should you recomplete or rework these wells in the future, please contact your Gas Supply Representative, Coby Washburn at 817-302-9772.

Sincerely,

Susan Lampe
Contract Administrator
Phone: 817-302-9433
Susan.lampe@sug.com

JOHN H. HENDRIX CORP.
RECEIVED

JAN 19 2010

MIDLAND, TX

cc: Gas Supply Representative
File L-132

1/19/10 Copies to: Carolyn H & Ron & Rhonda

**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.

Llano Fed. #1Y. Well may be approved to be TA/SI for a period of 6 months after successful MIT and subsequent report is submitted. This will be the last and only TA/SI approval. Well must be P&A or plans to return to beneficial use submitted by September 1, 2010. RBP @ 6450' must be capped with cement, 25 sacks if set with tubing or 35' if set with bailer. Notify BLM to witness placement of cement on plugs and MIT.