

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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 page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LC-065394-B
2. Name of Operator Seely Oil Company		6. If Indian, Allottee or Tribe Name
3a. Address 815 W. 10th St. Ft. Worth, TX 76102	3b. Phone No. (include area code) 817-332-1377	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) F-Sec 18-T18S-R34E 1650' FNL & 2210' FWL		8. Well Name and No. Mescalero Ridge F Federal #1
		9. API Well No. 30-025-38409
		10. Field and Pool or Exploratory Area Mescalero Escarpe (Bone Spring)
		11. Country or Parish, State Lea County, NM

12. CHECK THE 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 checked="" 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 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.)

Seely Oil Company proposes to recomplete the subject well as follows:

1. Set CIBP @ 8950' w/ 35' cmt on top.
2. Set CIBP @ 7050' w/ 35' cmt on top (top of Bone Spring)
3. Perforate 5191' - 94', 5234' - 38', 5250' - 53' and 5340' - 44'. Total of 14 holes.
4. Acidize w/ 2000 gallons NeFe acid.
5. Fracture treat w/ 50,000 gallons and 120,000 lbs sand.
6. Put well on production.

RECEIVED

JUN 04 2010

HOBBSOCD

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) David L. Henderson		Title Executive Vice President
Signature <i>David L. Henderson</i>		Date 05/06/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	PETROLEUM ENGINEER Title Office <i>KE</i>	Date APPROVED JUN 07 2010 MAY 28 2010 Is/ Chris Walls BUREAU OF LAND MANAGEMENT
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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

**Mescalero Ridge F Federal 1
30-025-38409
Seely Oil Company
May 26, 2010
Conditions of Approval**

- 1. Contact BLM 575-393-3612 a minimum of 24 hours prior to setting CIBP above Bone Spring perfs.**
- 2. Change step 2-Pump a minimum of 25 sx plug at 7,170', a 35' plug is not adequate to isolate the Bone Spring Formation.**
- 3. Surface disturbance beyond the existing pad must have prior approval.**
- 4. Closed loop system required.**
- 5. A minimum of a 3M BOP is required and must be tested prior to performing operations. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.**
- 6. Operator to have H2S monitoring equipment on location as H2S has been reported from wells in the area.**
- 7. Subsequent sundry with wellbore schematic and completion report required.**

CRW 052610