

RECEIVED

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTJUN 30 2010
OCD Hobbs
HOBBSOCDFORM APPROVED
OM B 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 type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>INJECTION</u>		5. Lease Serial No. LC-066126-C
2. Name of Operator BURK ROYALTY CO., LTD.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 94903, WICHITA FALLS, TX 76308	3b. Phone No. (include area code) 940-397-8638	7. If Unit or CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FSL, 1655 FWL, SEC 26, T20S, R34E		8. Well Name and No. CRUCES FEDERAL #3
		9. API Well No. 30-025-02459
		10. Field and Pool, or Exploratory Area LYNCH YATES SEVEN RIVERS
		11. County or Parish, State LEA COUNTY, 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 checked="" type="checkbox"/> Other <u>RUN LINER</u>
	<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 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.)

WELL HAD A CASING LEAK. SQUEEZED WELL WITH 350 SX CEMENT ON JUNE 15, 2010. PAUL SWARTZ WITH THE BLM INDICATED WE SHOULD RUN A LINER.
BURK WILL RUN A 4" LINER TO 3475' AND CIRCULATE CEMENT TO THE SURFACE:

1. RUN CAST IRON BRIDGE PLUG INSIDE 5-1/2" CASING AND SET AT 3490'-3492'.
2. RUN 4" OD 9.11# FLUSH JOINT J-55 LINER AND SET AT 3475' INSIDE THE 14# 5-1/2" CASING (WITH ID OF 5.0120 LEAVING TOTAL CLEARANCE OF 1.012 OR 0.506 ON EACH SIDE).
3. CEMENT WITH 170 SACKS CLASS H WITH A YIELD OF 1.18 CU FT/SACK SUFFICIENT TO FILL UP 4030 FEET OR 16% BUFFER.
4. DRILL OUT CEMENT AND BRIDGE PLUG.
5. RUN INJECTION STRING AND BAKER AD-1 PACKER. SET PACKER AT 3432' AND RETURN TO INJECTION.

PLEASE ADVISE IF ADDITIONAL INFORMATION IS REQUIRED.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) JON H. BEAR		Title ENGINEER	<div style="border: 2px solid black; padding: 5px; text-align: center;"> APPROVED JUN 28 2010 WESLEY W. INGRAM PETROLEUM ENGINEER </div>
Signature <i>Jon H. Bear</i>		Date 06/25/2010	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by <i>EG 7-1-10</i>		Title Title	Date JUL 01 2010
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	

Title 18 USC Section 1001 and Title 43 USC 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)

**Cruces Federal #3
30-025-02459
Burk Royalty Co., Ltd.
June 28, 2010
Condition of Approval**

Operator to contact Paul Swartz at 575-200-7902 a minimum of 24 hours prior to installing liner/casing.

WWI 062810