Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| FORM APPROVED |
|------------------------|
| OMB NO. 1004-0135 |
| 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. | | | | | 5. Lease Serial No. NMLC029406B | | | |
|---|---|--|---|--|--|---|-------------------------|--|
| | | | | | 6. If Indian, Allottee or Tribe Name | | | |
| SUBMIT IN TRII | 7. If Unit or CA/Agreement, Name and/or No | | | | | | | |
| 1. Type of Well ☐ Gas Well ☐ Oth | 8. Well Name and No. GRACE MITCHELL B FEDERAL 8 | | | | | | | |
| Name of Operator | | | | | 9. API Well No. 30-025-39495-00-S1 | | | |
| 3a. Address P O BOX 960 ARTESIA, NM 88211-0960 | 3b. Phone No. (include area code) Ph: 575-748-1288 Fx: 575-746-9539 | | | 10. Field and Pool, or Exploratory MALJAMAR MALJAMAR-GRAYBURG SA | | | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | 11. County or Parish, and State | | | | | |
| Sec 5 T17S R32E SWSE 907 | | LEA COUNTY, NM | | | | | | |
| 12. CHECK APPI | ROPRIATE BOX(ES) TO | INDICATE | NATURE OF 1 | NOTICE, RI | EPORT, OR OTHI | ER DAT | ГА | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | | | | |
| Notice of Intent Subsequent Report Final Abandonment Notice □ Acidize □ Alter Casing □ Casing Repair □ Change Plans | | □ New □ Plug | ure Treat Construction and Abandon | Reclam | Production (Start/Resume) Reclamation Recomplete Temporarily Abandon Water Disposal Water Shut-O Well Integrity Other | | Vell Integrity Other | |
| | Convert to Injection Plug Back Water eration (clearly state all pertinent details, including estimated starting date of any | | | □ Water I | 213posai | | | |
| If the proposal is to deepen direction: Attach the Bond under which the wo following completion of the involved testing has been completed. Final Al determined that the site is ready for f 6/30/2010 PERFORATED 3,9 7/1/2010 ACIDIZE W/ 2,000 C 7/7/2010 FRAC 20,997# WHI 7/8/2010 RIH W/ 145 JTS 2 7 | rk will be performed or provide to operations. If the operation rest bandonment Notices shall be file inal inspection.) 177-4,082', 32 HOLES. BALS 15% HCL. TE SAND 16/30, 10,207# | the Bond No. or ults in a multipled only after all the SIBERPROF | the with BLM/BLe completion or recequirements, included 16/30, 53,382 | A. Required su ompletion in a ding reclamation | ibsequent reports shall inew interval, a Form 3 on, have been completed | be nied w 160-4 sha | all be filed once | |
| RECEIVED | | | | | | | | |
| | | | | | | 10 CD | | |
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| 14. I hereby certify that the foregoing is | Electronic Submission #8 | RGY CORPO | RÁTION, sent to | the Hobbs | | | | |
| Name (Printed/Typed) DEANA V | | JCTION CLI | | | | | | |
| Signature (Electronic | Submission) | , | Date 07/13/2010 | | | | | |
| | THIS SPACE FO | R FEDERA | L OR STATE | OFFICE U | SE | | | |
| Approved By ACCEPTED | | | | DUSTIN WINKLER LePETROLEUM ENGINEER Date 08/1 | | | Date 08/10/2 | |
| 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 Hobbs | | | | | | | NEEH | |

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.