New Mexico Oil Conservation Division, District I 1625 N. French Drive

Hobbs, NM 88240

Form 3160-5 (August 2007)

Statewide BLM Bond Number NMB000262

Effective 06-01-2010.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No

NM-046153-A

SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 8. Well Name and No Western Reserves -34- Federal #3 Other Oil Well Gas Well 9. API Well No. 2. Name of Operator 30-005-20739 Nordstrand Engineering, Inc. 3b Phone No. (include area code) 10 Field and Pool or Exploratory Area 3a. Address 3229 DAmico St Ste 200 713-520-1555 Tom-Tom; San Andres Houston, TX 77019 11. Country or Parish, State 4. Location of Well (Footage, Sec., T,R.,M., or Survey Description) Chavez County, New Mexico 330' FNL & 2310' FWL of UL C, Sec 34, T 7S, R 31E 12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Water Shut-Off Production (Start/Resume) Acıdıze Deepen Notice of Intent Well Integrity Fracture Treat Reclamation Alter Casing Other New Construction Recomplete Casing Repair Subsequent Report Operator Change Temporarily Abandon Plug and Abandon Change Plans Plug Back Water Disposal Convert to Injection Final Abandonment Notice 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.) Nordstrand Engineering, Inc. This Well Has Been SI/TA Without Approval Since Change of Operator from Enervest Operating, LLC to: 06-2009. Well Must Be Returned To Production, Plugged With A Plugging Program Approved By The BLM, Or Approval To TA Well Must Be Obtained From This Office By 11-01-2010! Effective 6/1/10, Nordstrand Engineering, Inc. will assume operations of Effective: RECEIVED the well and certifies that it is authorized by the proper lease interest owners to conduct lease operations and is responsible under the terms and conditions of the lease associated with this well. Bond Coverage AUG 3 1 2010 under BLM Bond # #015030. **HOBBSOCD** NMB*00026*2 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) President Carl H. Nordstrand Title 5/12/10 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by /S/ DAVID R. GLASS AUG 2 4 2010 PETROLEUM ENGINEER Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify Office ROSWELL FIELD OFFICE Nordstrand Engineering, Inc. Accepts All Applicable Terms, Conditions, Stipulations, And Restrictions e for any person knowingly and willfully to make to any department or agency of the United States any false, Concerning Operations Conducted On The Leased jurisdiction Land Or Portion Thereof Under Their \$25,000.00