

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM 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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-106716
2. Name of Operator Thunderbolt Petroleum LLC		6. If Indian, Allottee or Tribe Name
3a. Address P O Box 10523, Midland TX 79702	3b. Phone No. (include area code) 432-682-1251	7. If Unit or CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Section 19L, T18S, R32E; 2310' FSL & 500' FWL; NW1/4 SW1/4		8. Well Name and No. Orion Federal #1
		9. API Well No. 30-025-33140
		10. Field and Pool, or Exploratory Area Shugart-Y-7Rvrs-Q-GB
		11. County or Parish, State Lea, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 measure gas
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	production off lease
	<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.)

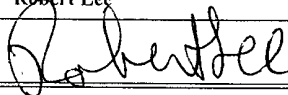
Approval is requested to measure gas production off lease. Due to the marginal nature of lease Conoco would not lay a gas line. We elected to lay a line to Frontier meter (#6095562) to sell gas 1200' to east in Sec 19 Unit letter K at the East Shugart Delaware Unit #16. This well is 2310' FSL and 1650' FWL. API #30-025-30111. Gas is not commingled but measured separately through its own meter.

Attached is a map showing the location of the Orion well in red and location of the gas meter in yellow, along with a schematic diagram which identifies and places all equipment that is being utilized.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

SUBJECT TO LIKE
APPROVAL BY STATE

RECEIVED
SEP 07 2010
HOBBSOC

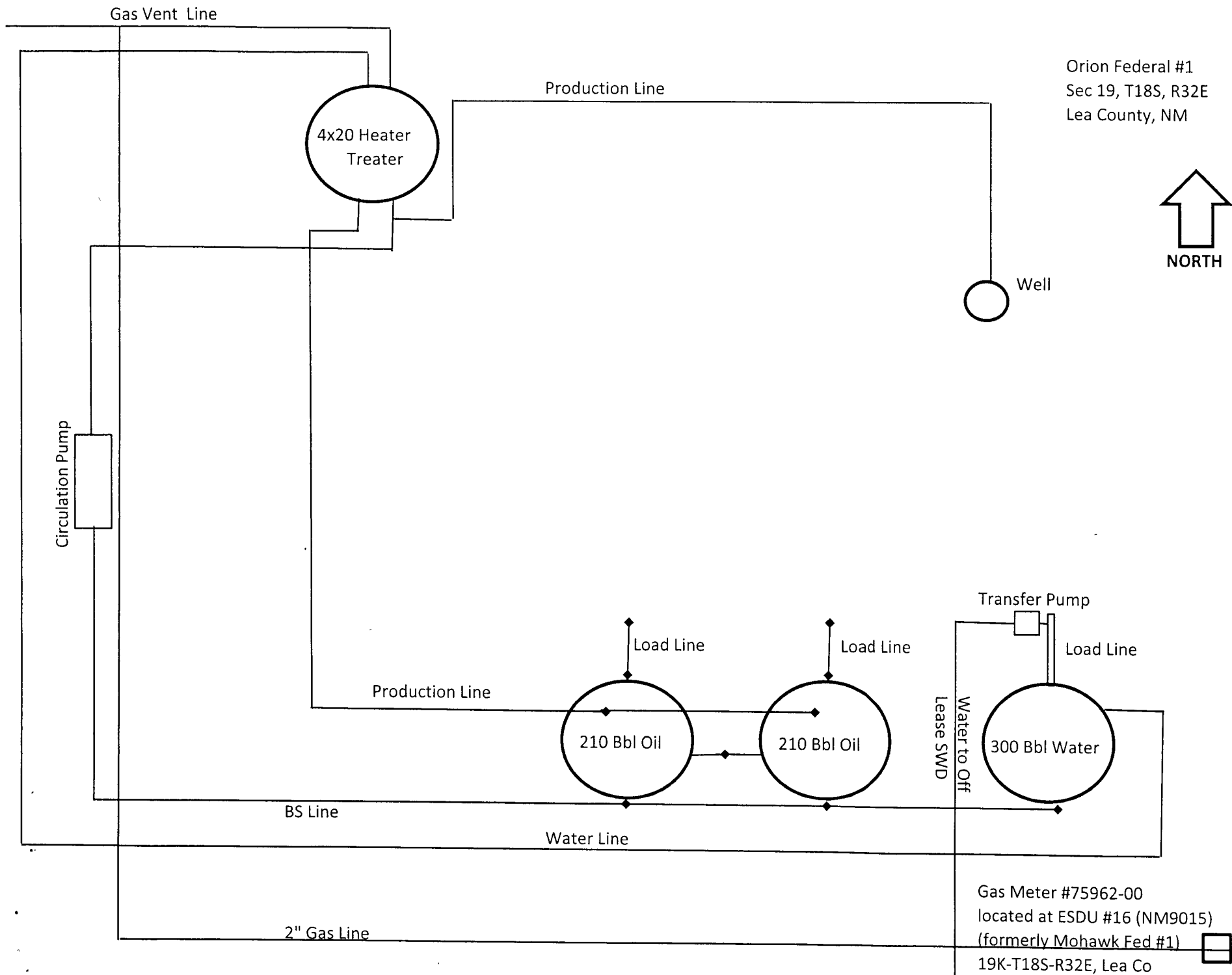
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Robert Lee		Title President
Signature 	Date 08/05/2010	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ JD Whitlock Jr	Title CPE	Date 9/1/10
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	PETROLEUM ENGINEER SEP 07 2010
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)

RM



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DEPARTMENT OF THE INTERIOR
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(See other In-
structions on
reverse side)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other _____
1b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. REPER ☐ Other _____
2. NAME OF OPERATOR: Orion Oil and Gas Properties
3a. Area Code & Phone No.: 505-622-2202

3. ADDRESS OF OPERATOR: P.O. Box 2345, Roswell, NM 88202-2345

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements):
At surface 2310' FSL & 500' FWL, NW $\frac{1}{4}$ SW $\frac{1}{4}$, Unit Letter L

At top prod interval reported below same

At total depth same

5. LEASE DESIGNATION AND SERIAL NO.: NM-9017

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME: Orion Federal

9. WELL NO.: 1

10. FIELD AND POOL, OR WILDCAT: Shugart Y-7Rvrs-Q-GB

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 19: T18S, R32E

12. COUNTY OR PARISH: Lea
13. STATE: NM

9a. API Well No.: 30-025-33140
14. PERMIT NO.:
DATE INSIDED:
15. DATE SPUNDED: 11/12/95
16. DATE T.D. REACHED: 11/20/95
17. DATE COMPL. (Ready to prod.): 1/4/96
18. ELEVATIONS (OF. RKB, RT, GB, ETC.): 3711' GR
19. ELEV. CASINGHEAD: 3719' KB

20. TOTAL DEPTH, MD & TVD: 4500'
21. PLUG BACK T.D., MD & TVD: 4454'
22. IF MULTIPLE COMPL., HOW MANY?
23. INTERVAL DRILLED BY: ROTARY TOOLS ☒ CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD): 3784'-3803.5' Penrose
25. WAS DIRECTIONAL SURVEY MADE: No

26. TYPE ELECTRIC AND OTHER LOGS RUN: GR/CNL & GR/CBL
27. WAS WELL CORED: No

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	400'	12 1/4"	250 sxs circ	
5 1/2"	15.5#	4500'	7 7/8"	1020 sxs	

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 7/8"	3730'	RBP @ 4218'

31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
4262'-72' w/7 perfs		DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4286'-4306' w/14 perfs		4262'-4386'	2500 gals 15% Pentol; 40000 gals
4340'-4386' w/13 perfs		30#XL, 4000#	100mesh, 153340#16/30,
3784'-3803.5' w/14 perfs		3784'-3803.5'	1000 gals 15% Pentol 100; 1500C
			gals 30# XL, 1500# 100mesh, 53720# 16/30

33. PRODUCTION
DATE FIRST PRODUCTION: 1/18/96
PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump): 228 Lufkin PU
WELL STATUS (Producing or shut-in): Producing
DATE OF TEST: 2/2/96
HOURS TESTED: 24
CHOKE SIZE: n/a
PROD'N. FOR TEST PERIOD: 10
OIL—BBL.: 10
GAS—MCF.: 15(est)
WATER—BBL.: 79
GAS-OIL RATIO: 1500/1
FLOW. TUBING PRESS.: n/a
CASING PRESSURE: n/a
CALCULATED 24-HOUR RATE: 10
OIL—BBL.: 10
GAS—MCF.: 15(est)
WATER—BBL.: 79
OIL GRAVITY-API (CORR.): 37.9

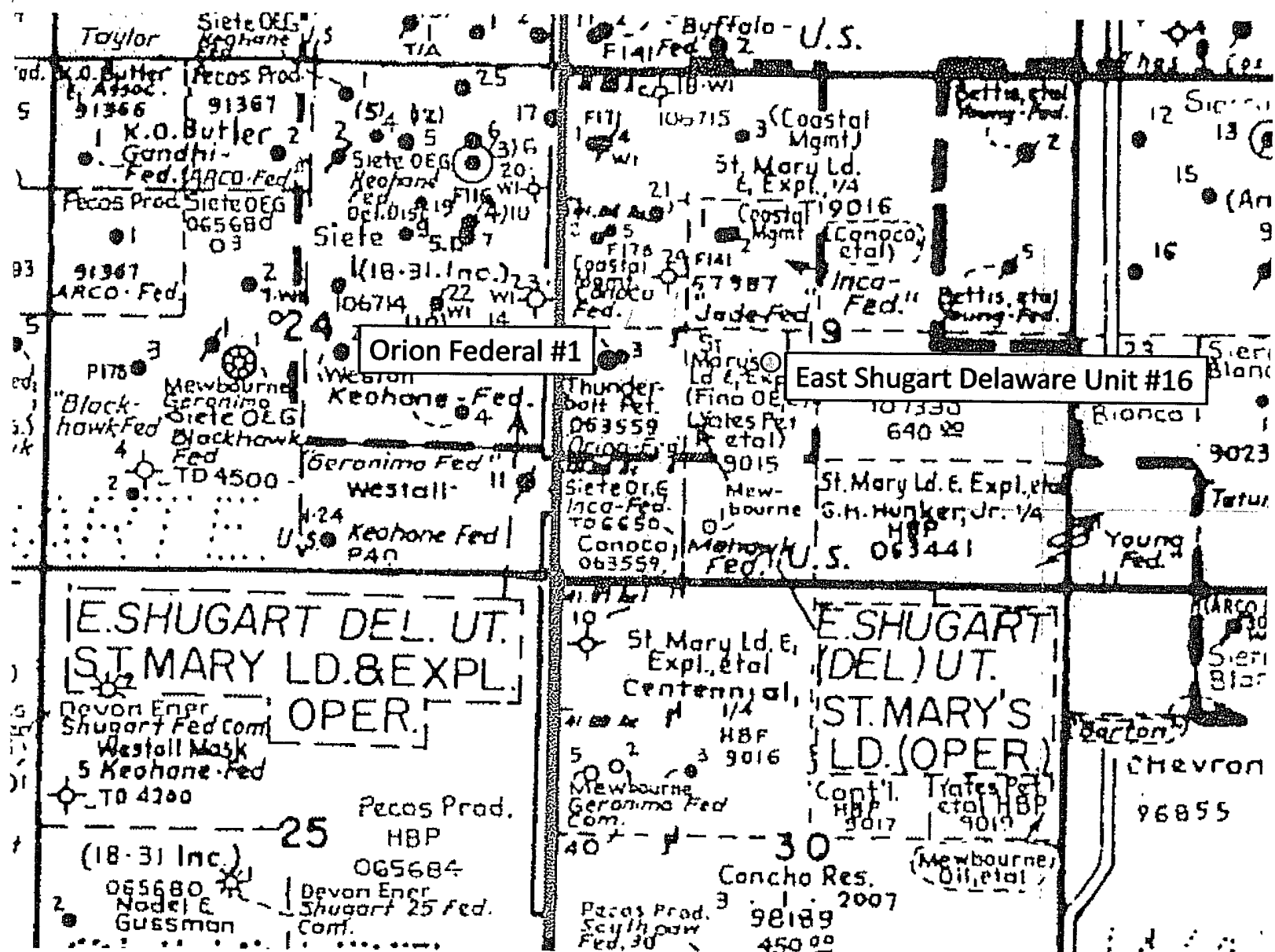
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): Vented (pending contract)
TEST WITNESSED BY: Jim Ikard

35. LIST OF ATTACHMENTS: Deviation Surveys & Logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED: Cathy Seely TITLE: Reg. Spec. DATE: 2/5/96

(See Instructions and Spaces for Additional Data on Reverse Side)



**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Off-Lease Measurement

Conditions of Approval

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented without proper measurement and prior approval. Any gas vented must be flared.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease measurement from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
8. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.
9. A gas meter must be installed on the Orion Federal #1 facility. Gas must be measured as per Onshore Order #5 prior to leaving the location and prior to any vent/flare line.

