

CD-HOBBS
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No
NM-02127-A

6. If Indian, Alkotee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
WH MILNER FEDERAL 4

9. API Well No.
30-025-02507

10. Field and Pool, or Exploratory Area
LYNCH YATES SEVEN RIVERS

11. County or Parish, State
LEA COUNTY, NM

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other *Injection SWD*

2. Name of Operator
BURK ROYALTY CO., LTD.

3a. Address
P.O. BOX 94903, WICHITA FALLS, TX 76308

3b. Phone No. (include area code)
940-397-8638

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

990' FNL, 1650 FWL, SEC 35, T20S, R34E

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 checked="" 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 checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input 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 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.)

08/13/2010 Jon Bear notified Paul Swartz and Wesley Ingram that Rusty Carpenter would be on location 08/16/2010.
 08/16/2010 MIRU Viva Well Service. Rig up BOP. Unloaded 2-3/8" work string on location. Shut down for night.
 08/17/2010 TIH w/one 5.5" RBP, one 2-3/8"x5.5" Arrowset packer + 107 joints 2-3/8" tubing. Set RBP @ 3472' Set packer at various depth to locate hole in casing. Determined that hole was above 36'. Shut down for night.
 08/18/2010 GIH w/RBP retriever + 106 joints 2-3/8 work string. SD waiting for call from office. Dig out around well casing looking for leak COOH w/2-3/8" work string laying down. RDMO.
 08/19/2010 MIRU backhoe. Dug hole around well 25' deep and 35'x40' wide Dug down 14' to cement. Broke out 3' cement to 18" open hole. MIRU trackhoe. Dug down 25'. Found hole @ 18'. 5.5" collar @ 23'. Will cut 5.5" pipe below collar (good pipe). SDFN
 08/20/2010 Welder cut off 23' 5.5" casing and replaced w/23' new 5.5" casing. Filled in hole. Moved in steel pit & rig mat. SDFN
 08/23/2010 MIRU Viva Well Service. Weld on 5.5" bell nipple. Moved in 2-3/8 work string. GIH w/one 2-3/8"x5.5" Arrowset packer + one joint 2-3/8" tubing. Tested 36' to surface. Held 500# for 20 minutes. Tested ok. Tested below packer to RBP @ 3,472'. Held 500# for 20 minutes. Tested ok. COOH w/5.5" packer. GIH w/RBP retriever + 107 joints 2-3/8" tbg. Tag sand. Circulate sand to steel pit. Continued on attached sheet.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

JON H. BEAR

Title **ENGINEER**

Signature

Date **08/27/2010**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

ELG 10-19-10

Title

Date

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

ACCEPTED FOR RECORD

OCT 15 2010
/s/ Dustin Winkler

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Burk Royalty Co., LTD.
Milner Federal #4 SWI

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08/23/2010 Continued from page 1: Released RBP. COOH w/2-3/8" work string laying down. SDFN

08/24/2010 Move in 2-3/8" salta production string. GIH w/one 2-3/8"x5.5" AD-1 p/c packer + 106 joints salta tubing. End of packer @ 3475'. MIRU p/t. Pumped 65 bbls. packer fluid, no circulation. Set packer, loaded annulus. Rig up for MIT test. Tried three hours losing 50-300# in 30 seconds. Fluid foamy. SDFN

08/25/2010 Move in rig up P/T. Rig up for MIT test, blew annulus down. Tested well to 520# with chart. Test ok per Paul Swartz w/BLM on location. RDMO