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UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

DEC 02 2010

HOBBS

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 page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Seely Oil Company3a. Address
815 W. 10th St.
Ft. Worth, TX 761023b. Phone No. (include area code)
817-332-13774. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEE BELOW5. Lease Serial No.
NM-01177-A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
SEE BELOW9. API Well No.
SEE BELOW10. Field and Pool or Exploratory Area
Corbin, Queen South11. Country or Parish, State
Lea County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change of Operator
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 must 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 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.)

Seely Oil Company acquired the Buffalo Federal wells from RHCJ Enterprises, LLC effective August 1, 2009.

Seely Oil Company accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the lease lands or portions thereof. The bond in effect is Bond # NM1816.

Well Name	Location	API#	QTR
Buffalo Federal #7	B-34-18S-33E	30-025-21604	NW NE
Buffalo Federal #8	H-34-18S-33E	30-025-21846	SE NE
Buffalo Federal #10	A-34-18S-33E	30-025-21957	NE NE
Buffalo Federal #11	L-35-18S-33E	30-025-22598	NW SW

Unit 2 Well NM 70797B See COAs
NOT APPROVED.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

K2 DEC 06 2010
PETROLEUM ENGINEER

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

David L. Henderson

Title Executive Vice President

Signature

David L. Henderson

Date

4/22/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

LPE

Date

11/26/10

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

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)

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval

Seely Oil Company - Buffalo Federal Wells #8, 10, 11, & Cockbum 4, 6, 7, 10,

1. Submit plan for approval of well operations within 30 days of this approval to change operator.

The Bureau of Land Management (BLM) and Minerals Management Service (MMS) definition of a Shut-in (SI) or Temporarily Abandoned (TA) are as follows. Shut-in well is a completion that is physically and mechanically capable of production in paying quantities or capable of service use. The definition of a temporarily abandoned well is a completion that is not capable of production in paying quantities but which may have value as a service completion.

43 CFR 3162.3-4 (C) requires that wells incapable of production in paying quantities be promptly plugged and abandoned and requires approval for any well temporarily abandoned for more than 30 days.

Therefore an Operator must submit a Sundry Notices as a Notice of Intent prior to beginning any operation it will be approved with condition of approval attached to properly TA the well. You need to submit a plan for the well within in 30 days stating you intent for the well.

Do one of the following.

- a. Return the well to production or beneficial use.**
- b. Submit notice of intent to plug and abandon.**

If you decide to **plug and abandon** the well do the following. Submit a Sundry Notice (form 3160-5, original and 3 copies) describe the proposed plugging program.

If you decide to **return the well to production**, submit a Sundry Notice (form 3160-5, original and 3 copies) of intent. Include the date you anticipated the well being placed back in service. 43 CFR 3162.4-1(c) also requires you to notify the Authorized officer, not later than the fifth business day after production is resumed for any well which has been off production for more than 90 days, the date on which such production was resumed. Notification may be by letter or Sundry Notice, or orally followed by letter or Sundry Notice.

2. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
3. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
4. Submit for approval of water disposal method.
5. Submit updated facility diagrams as per Onshore Order #3
6. This agency shall be notified of any spill or discharge as required by NTL-3A.
7. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
8. **Buffalo Federal #7** - 3002521604 is a Unit well and must have a designation of unit operator submitted for Seely Oil Company to be approved as the unit operator. Seely is not approved as operator for this well.