

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0137
Expires: March 31, 2007

5. Lease Serial No.
NM 23006

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.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

2. Name of Operator

Lusk '31' Federal No. 3

Lynx Petroleum Consultants, Inc.

9. API Well No.

3a. Address

3b. Phone No. (include area code)

30-025-39593

P.O. Box 1708, Hobbs, NM 88241

575-392-6950

10. Field and Pool, or Exploratory Area

Lusk North Bone Spring/Wolfcamp

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

1880' FSL & 2080' FEL, Section 31, T-18S, R-32E

11. County or Parish, State

Lea, New Mexico

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

TYPE OF SUBMISSION

TYPE OF ACTION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

- ☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off
☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Casing Repair ☐ New Construction ☐ Recomplete ☒ Other Add Bone Spring Perforations
☐ 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 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 shall 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 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.)

- MIRU. Pull rods and pump. NU BOP. Release TAC. Tally tubing OOH. ND BOP and NU frac head.
- TIH w/composite bridge plug and set at +/- 9800'. Perforate 2nd Bone Spring sand Zone 5 from 9230-60' w/ 4 JSPF. Frac 2nd Bone Spring sand.
- TIH w/composite bridge plug and set at +/- 9150'. Perforate 2nd Bone Spring carbonate Zone 6 from 8690-8706' w/ 4 JSPF. Acidize 2nd Bone Spring carbonate.
- TIH w/composite bridge plug and set at +/- 8600'. Perforate 1st Bone Spring sand Zone 7 from 8356-60', 8264-78, 8382-97', 8400-02', and 8406'-08' w 1 JSPF. Frac 1st Bone Spring sand Zone 7. Flow back 1st Bone Spring sand Zone 7 until dead.
- ND frac head. NU BOP.
- Drill out bridge plugs. Circulate hole clean. POOH.
- Run production tubing. Space out TAC above top perforations at 8356'. Run pump and rods. Return well to production.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**SUBJECT TO LIKE
APPROVAL BY STATE**

DEC 28 2010

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Debbie McKelvey

Title
AGENT

Signature

Debbie McKelvey

Date 11/18/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

APPROVED

DEC 20 2010

/s/ Dustin Winkler

**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

Lynx Petroleum Consultants, Inc.
NM-23006: Lusk '31' Federal #3
API: 30-025-39593
Lea County, New Mexico

RE: Recomplete – Conditions of Approval

There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

3000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

Prior to setting first composite bridge plug, the following must be accomplished:

1. Contact the BLM at 575-393-3612 a minimum of 24 hours prior to the commencing work on this well.
2. CIBP to be set at 11110' with 35' bailed or 25sx pumped class H cement. (Strawn perfs)
3. CIBP to be set at 10685' with 35' bailed or 25sx pumped class H cement. (Cisco/Canyon perfs)
4. A CBL is to be run to verify the top of cement. If TOC is below 2523', remedial cement shall be done.

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Submit subsequent report and completion report with well test once work is completed.

DHW 122010