

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
 Oil Well Gas Well Other

2. Name of Operator
 Freedom Energy LLC

3a. Address
 R649 N. 13th. St. Lake Arthur, NM 88253

3b. Phone No. (include area code)
 575-365-2097

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1980 FNL & 1200 FWL SW1/4NW1/4 Section 34 T. 13 S. R. 30 E.

5. Lease Serial No.
 NMNM 18501

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
 Walters B Federal #1

9. API Well No.
 30-005-21016

10. Field and Pool, or Exploratory Area
 Chaves Queen Gas Area SE Assoc.

11. County or Parish, State
 Chaves, 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 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 type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" 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 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.)

Talon is taking samples of the old water pit at the surface and at 8 inches during the week of Oct 25, 2010. We need to wait on the containment berm due to the fact that the pit will be in the way. Talon will carbon copy the sample results to the BLM. Work will begin as soon as BLM approves plan. The work should take about a week. The pit has not been in use since Freedom LLC has operated this well. We are not including a clean up plan because we are hoping the ground is not contaminated. We will bring in dirt for the berm and pit so that we will not be disturbing any of the area around the lease. No monitoring should be needed.

RECEIVED

FEB 09 2011

HOBBSDO

ACCEPTED FOR RECORD

JAN 31 2011

NAME *[Signature]*
 ENVIRONMENTAL PROTECTION
 SPECIALIST

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

Name (Printed/Typed) Eugene Rogers	Title Owner
Signature <i>Eugene Rogers</i>	Date 10/17/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title PETROLEUM ENGINEER
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.	Date FEB 09 2011
	Office <i>[Signature]</i>

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)

**ENTERED IN
AFMSS**