Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

MAR 23 207

FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010

5. Lease Serial No. NMLC 029519 A

SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 8. Well Name and No. Oil Well Gas Well Other See Attached List 9. API Well No. See Attached List 2. Name of Operator MAS OPERATING CO 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area 3a. Address P.O. BOX 923, KERMIT, TEXAS 79745 See Attached List 432-586-8980 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)
See Attached List 11. Country or Parish, State UNITED STATES, NEW MEXICO 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Deepen Acidize Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Other Change of Casing Repair New Construction Recomplete ✓ Subsequent Report operator Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice 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 must 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 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.) The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, pursuant to NTL 89-1: NMB 000 749 APPROVED Bond Coverage - BLM Bond No.: NMB000713, Individually Bonded. Legal Description of Land: This will be covered in the attachment. Effective Date: 10/01/2010 MAR 1 8 2011 /s/ JD Whitlock Jr SEE ATTACHED FOR CONDITIONS OF APPROVAL BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Stephen Brown Title President Date 11/01/2010 THIS SPACE FOR FEDERAL OR STATE OFFICE USE LEMANTEN ENEMEER Approved by MAR 2 4 2011

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.

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Office

entitle the applicant to conduct operations thereon.

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

Attachment to Form 3160-5

Well Name and No.	API#	FIELD	POOL	LOCATIO	N	/
B V LYNCH A FEDERAL #001	30-025-12550°	FIELD / LYNCH; YATES-SEVEN RIVERS	42370	J-34-20S-34E	2310 FSL 2310	
	/	/		FEL		
B V LYNCH A FEDERAL #002	30-025-02494	SWD; YATES-SEVEN RIVERS	96141	P-34-20S-34E	660 FSL 660 /	/
	\int	/		FEL		
B V LYNCH A FEDERAL #003	30-025-02495	LYNCH; YATES-SEVEN RIVERS	42370	B-34-20S-34E	660 FNL 1980	\mathcal{I}
	/ /			FEL		/
B V LYNCH A FEDERAL #007	30-025-02509	LYNCH; YATES-SEVEN RIVERS	42370	L-35-20S-34E	1650 FSL 990	/
	/	/		FWL		/
B V LYNCH A FEDERAL #009	30-025-02490	LYNCH; YATES-SEVEN RIVERS	42370	F-34-20S-34E	1650 FNL 2310	/
		1		FWL		
B V LYNCH A FEDERAL #010	30-025-12580	SWD; YATES-SEVEN RIVERS	96141	C-34-20S-34E	660 FNL 1980 /	
				FWL		/
B V LYNCH A FEDERAL #012	30-025-02492	LYNCH; YATES-SEVEN RIVERS	42370	A-34-20S-34E	330 FNL 330	•
				FEL		

Attachment to Form 3160-5

Legal Description of Land:

T-20-S, R-34-E, NMPM

Section 34: NE/4 NE/4, W/2 NE/4, E/2 NW/4, E/2 SW/4, SE/4

Section 35: W/2 SW/4

All in Lea County, New Mexico

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

Conditions of Approval

MAS Operating Company, BV Lynch A Federal #1,2,3,7,9,10&12

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. 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.
- 3. Submit for approval of water disposal method.
- 4. Submit updated facility diagrams as per Onshore Order #3
- 5. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
- 7. Subject to like approval by NMOCD.