

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. Div-Dist. 2

SUNDRY NOTICES AND REPORTS ON WELLS AND
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APR 1998), previous editions.
3075 Road Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.
NM-64489

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Cannonball Federal #1

9. API Well No.
30-005-62658

10. Field and Pool, or Exploratory Area
Wildcat (Strawn)

11. County or Parish, State
Chaves Co., NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

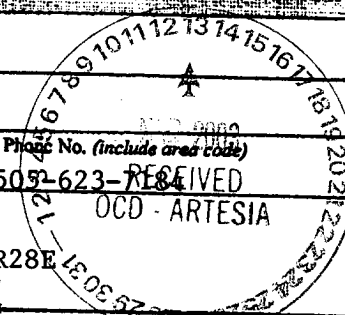
1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Slayton Resources, Inc.

3a. Address
P.O. Box 2035, Roswell, NM 88202

3b. Phone No. (include area code)
505-623-RECEIVED

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1060' FSL & 2180' FWL, Sec. 7, T14S, R28E
UT-N



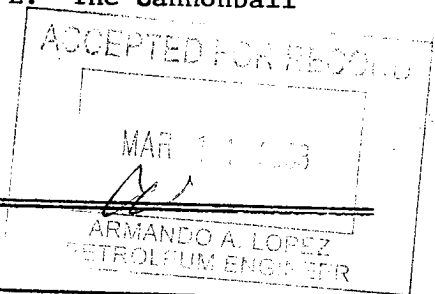
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <u>Change of Operator</u>
			<u>Request for CPD</u>

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.)

Enclosed are several maps.

We have made a trade with Agave Pipeline to take our Cannonball Federal #1 gas and our Sam's Ranch gas. Duke Energy is selling us the Sam's Ranch Gathering System. We have finished laying the Cannonball pipeline to intersect the pipeline system at the Lillie #2. Also, the Cannonball has been equipped with new tanks and production unit. We hereby request this well for connection to the CDP which will be located at the Phillips Fed (Yates) location. SE/NE Sec 23, T14S, R27E. The Cannonball will have its separate allocation meter.



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

Signature: Paul Slayton

Title: Agent

Date: 01-08-03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

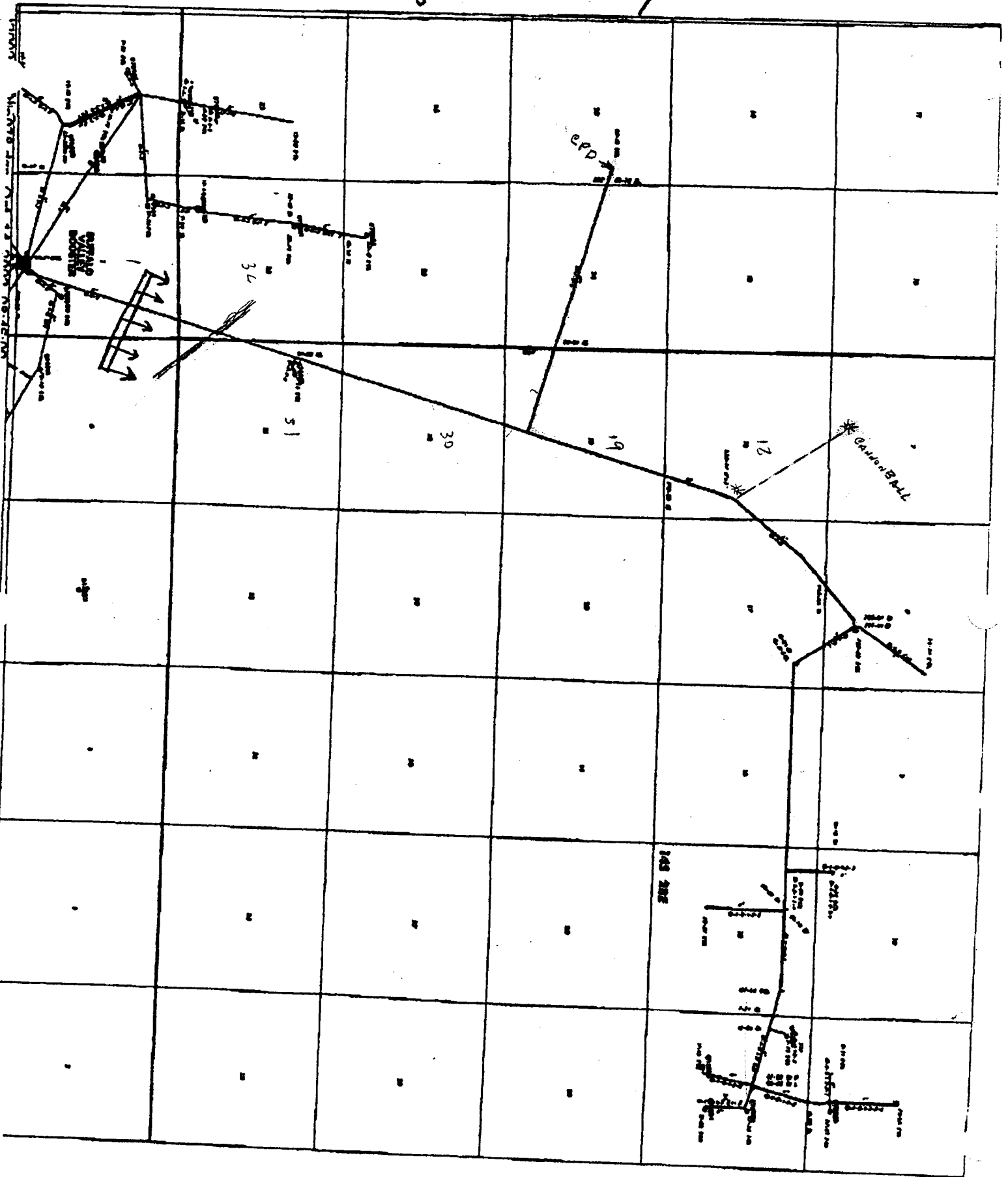
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those plots in the subject lease which would entitle the applicant to conduct operations thereon.

Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1712, 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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MIDLAND MAP

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