

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTN.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM92757
2. Name of Operator McCabe Energy, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 3816, Midland, TX 79702	3b. Phone No. (include area code) (432) 682-9653	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1910' FNL & 1838' FEL, Sec. 20, T-24-S, R-28-E, NMPM		8. Well Name and No. Willow Lake Federal "20" #1
		9. API Well No. 30-015-33209
		10. Field and Pool, or Exploratory Area Willow Lake
		11. County or Parish, State Eddy County, 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 Treatment
	<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 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 shall 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 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.)

8/20/04 SITP = 80 psi. RU KEY PPS & treat perfs with 50:50 Methanol / 4% KCl water with 1 gal ProSURF I, 1 gal ProSURF II & 2 gal B-1L (breaker) energized with 50/50 CO2. Flush to perfs with CO2. Max rate = 4.4 bpm, Avg rate = 4.2 psi, Max press = 1050 psi, Avg press = 500 psi. ISIP = 380 psi, 5 min = 150 psi, 10 min = 140 psi, 15 min = 130 psi. Open well to tank battery @ 11:30 AM (260 psi) on 1/2" choke. By 5:30 PM well flwg by heads on 3/4" choke with 60 psi TP & had recovered 30 bbls LW. LWTR = 18 bbls. Leave well open on 1/2" choke & SDFD.

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

Gregory D. Hair

Title Executive Vice President

Signature

Date 8/23/2004

ACCEPTED FOR RECORD

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

AUG 30 2004
ALEXIS C. SWOBODA
PETROLEUM ENGINEER

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)