

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Alamosa, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

PURE ENERGY OPERATING, INC.

3a. Address

153 Treeline Park, Suite 220 San Antonio, TX 78209

3b. Phone No. (include area code)

210-226-6700

RECEIVED

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

660' FSL & 2280' FWL
Sec 26 - T10S - R25E

5. Lease Serial No.

NM 07306

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Aztec 26 Federal Com #1

9. API Well No.

30-005-63800

10. Field and Pool, or Exploratory Area

Pecos Slope Abo

11. County or Parish, State

Chaves

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 Production Casing & Cementing Report
	<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.)

Pre-set 40' of 14" conductor w/ ready-mix. MIRU Permian Drilling Rig #1 & spud 12 1/4" hole @ 11:00 AM on 2/1/2006. Drilled to 895' surface casing point on 2/3/06. Ran 12 jts 8 5/8" 24# J-55 STC, stuck pipe while running - shoe @ 512'. Circulating w/ full returns but unable to free pipe. Attempted to free casing w/ driving tool, failed. Discussed w/ John Simitz with BLM in Roswell & received permission to cement casing in-place with shoe @ 512' - with the requirement that production casing be cemented to surface using a DV tool set at approx 1000'. Schlumberger cemented 8 5/8" csg w/ 410 sx 35:65 POZ - "C" cont'g 6% bentonite, 1/4# pps cello-flake, 2% CaCl, 0.3% D46 (12.6 ppg, 1.99 cu ft yield) followed by 200 sx "C" w/ 2% CaCl (14.8 ppg, 1.34 cu ft yield). Had full returns throughout job & circ estimated 199 sx to surface. Bumped plug w/ 1016 psi @ 6:09 PM on 2/3/06. WOC 6 hrs, cut off conductor & welded on 8 5/8" - 3000 psi SOW x 11" - 3000 psi CH. NU BOP and tested w/ 3000 psi, OK. WIH w/ bit, drilled float equip & cmt to 469' & tested csg w/ 1000 psi, OK (total WOC = 27 1/2 hrs). Resumed drilling formation on 2/5/06 & drilled 7 7/8" hole to 4600' TD on 2/11/06. Schlumberger ran Platform Express - HRLA log suite from 4600' WLTD to 8 5/8" shoe. Made conditioning trip w/ bit to TD and then ran 108 jts 5 1/2" 15.5# J-55 LTC csg w/ FS, FC & DV tool. Casing set @ 4600' w/ FC @ 4555' & DV tool @ 1013'. Schlumberger cemented casing to surface as follows: Stage 1 thru shoe: 600 sx 35:65 POZ-Class "C" cont'g 5% salt, 6% bentonite & 1/4 pps of cello-flake (12.7 ppg, 1.99 cu ft yield) followed by 175 sx Class "C w/ 0.1% retarder (14.8 ppg, 1.32 cu ft yield). Opened DV tool @ 1013' & circ'd estimated 22 sx from above tool. Cont'd circ & WOC 6 hrs between stages. Stage 2 thru DV tool: mixed & pumped 250 sx 35:65 POZ-Class "C" cont'g 5% salt, 6% bentonite & 1/4 pps of cello-flake (12.7 ppg, 1.99 cu ft yield) followed by 75 sx Class "C neat (14.8 ppg, 1.32 cu ft yield). Displaced plug w/ freshwater & closed DV tool w/ 1900 psi, held OK. Circ estimated 31 sx cement to surface. JC @ 11:51 PM on 2/13/06. ND BOP & installed 11" - 3000 psi x 7 1/16" - 5000 psi tubinghead. Cap wellbore. RR 2/14/06.

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

D. C. Dodd / Sierra Engineering

Title Agent for PURE ENERGY OPERATING, INC.

Signature

Date

3-10-06

ACCEPTED FOR FEDERAL OR STATE OFFICE USE

Approved by

DAVID E. GLASS

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

Title 18 U.S.C. Section 1001 and Title 42 U.S.C. Section 1322, 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)