Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR

N.M.

VIBIG. FORM APPROVED Budget Bureau No. 1004-0135

311 3 st Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT Lease Designation and Serial No. Arta a. Nat 10-2834 NMNM 94845 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well X Oil Well 8. Well Name and No. Duncan Federal #1 2. Name of Operator 9. API Well No. Southwest Royalties, Inc. 30 015 10375 3. Address and Telephone No. 10. Field and Pool, or Exploratory Area P.O. Box 11390; Midland, Texas 79702 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) West Lusk Delaware 11. County or Parish, State 760 FNL & 990 FEL, Sec. 27, T-19-S, R-31-E Eddy County, NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION X Abandonment Change of Plans Notice of Intent Past ID-2 7-3-98 **New Construction** Recompletion Non-Routine Fracturing Subsequent Report Plugging Back Casing Repair Water Shut-Off Conversion to Injection Final Abandonment Notice Altering Casing Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)* 05-12-98 - Notified BLM. MIRU. Set 4-1/2" CIBP @ 4450'. Circulated hole w/ brine and mud. 05-13-98 - Contacted Alexis and Duncan w/ BLM. Pumped 25 sx C cmt 4450-4080'. Cut 4-1/2" csg @ 4007'; not free. Pumped 20 sx C cmt @ 4068'. 05-14-98 - Duncan w/ BLM on location. Tagged cmt @ 3784'. Cut 4-1/2" csg @ 3097'. POOH w/ csg. Pumped 40 sx C cmt @ 3154'. 05-15-98 - Contacted Jim Amos w/ BLM. RIH and tagged plug @ 2980'. RIH w/ wireline and cut 8-5/8" csg @ 1752'; csg free. POOH w/ 56 jts 8-5/8" csg. Pumped 80 sx C cmt @ 1860'. 05-18-98 -Contacted Gene Hurt and Kathy w/ BLM. Tagged plug @ 1833'. Pumped 80 sx C cmt @ 1833' and WOC. RIH and tagged plug @ 1730'. Pumped 90 sx C cmt @ 757'. WOC; no tag. Pumped 90 sx C cmt 05-19-98 -Contacted Jim Amos w/ BLM. RIH and tagged plug @ 694'. Pumped 60 sx C cml 69/E60P Pumped 50 R sx C cmt 60'-surface. RDMO. 5-20-98 - Removed rig anchors, capped well, backfilled cellar & pit, installed dry hole marker. (ORIG. SGD.) GARY GOURLEY

SUPERVISOR 5-27-98 Signed Approved by _______ Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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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BOILD TIPLES