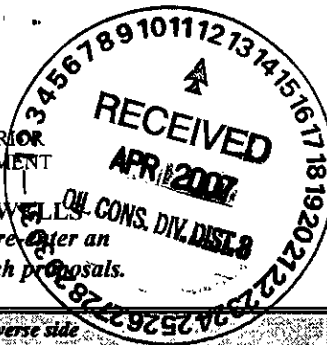


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



FORM APPROVED
Budget Bureau No. 1004-0135
Expires: November 30, 2000

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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM - 114942
2. Name of Operator U.S. ENERCORP, LTD C/O Walsh Engineering & Prod. Corp.		6. If Unit or CA Agreement, Name and/or No. RECEIVED BLM 210 FARMINGTON NM
3a. Address 7415 East Main St. Farmington, NM 87402	3b. Phone No. (include area code) (505) 327-4892	8. Well Name and No. ALMAGRE ARROYO 30 #1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2605' FSL & 2400' FWL Sec. 30, T24N, R01W E		9. API Well No. 30-039-30083
		10. Field and Pool, or Exploratory Area West Puerto Chiquito Mancos
		11. County or Parish, State Rio Arriba, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 PA 9-7/8" PILOT HOLE
	<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 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.)

US Enercorp intends to plug the 9-7/8" pilot hole on the above well with the following design:

Plug #1 (Gallup): 5555' - 5655'. Will spot 100' plug w/100' calc. excess. WOC and tag to confirm top.

Plug #2 (Top of Mancos): 4850' - 4950'. Will spot 100' plug w/100' calc. excess. WOC and tag to confirm top.

Plug #3 (Mesa Verde): 3950' - 4050'. Will spot 100' plug w/100' calc. excess. WOC and tag to confirm top.

Plug #4: 1750'-2250', 400' of the plug will be in the 9-7/8" w/50% calc. excess., 100' of the plug will be inside 12-1/4" w/ 35% calc. excess.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
Gwen Brozzo

Title
Production Tech.

Signature

Date
April 9, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

APR 10 2007

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 operation thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD