

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

Form 3160-5
(September 200 1)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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

I - I, I %, II

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Herman L. Loeb

3a. Address

P O Box 524, Lawrenceville, IL 62439

3b. Phone No. (include area code)

(618) 943-2227

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

1980' FNL 1980' FEL Section 4-T25S-R37E

5. Lease Serial No.

LC-055546

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Wells Federal #2

9. API Well No.

30-025-11440

10. Field and Pool, or Exploratory Area

Jalmat (Tansil, Yates, Seven Rivers)

11. County or Parish, State

Lea County, 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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<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.)

APPROVED FOR 3 MONTH PERIOD

ENDING 1-7-04

The purpose of this workover is to add perforations in the Yates formation. The new perforations will be acidized and possibly sand fractured. See the attached proposed workover procedure for complete details. The proposed starting date is October 27, 2003 with a duration of 1 week.

BLM Bond # NM-2839

New Yates Perforations: 2864-2880', 2904-2910', 2932-2936' & 2940-2944' 1 shot/ft acidize w/ 3000 gal 15% MCA

Possible fracture treatment w/ CO2 foam 45000# of 10/20 sand depending on extent of gas shows & depletion.

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

G. A. Payne

Title Petroleum Engineer

Signature

Date 9/30/03

GARY GOURLEY
PETROLEUM ENGINEER

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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime 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 the jurisdiction of such department or agency.

(Instructions on reverse)

GWW

GEORGE A. PAYNE
Petroleum Engineer

P. O. Box 743

Mobile: (812) 453-0385

Newburgh, IN 47629-0743

Office: (812) 853-3813

Loeb Oil Company
Wells Federal #2
Proposed Workover Procedure

Day 1-2

MIRU derrick well service rig. Tag bottom w/ tubing, POH w/ tubing, tally coming out. No record of plug back TD. It is probably at least 3100'. Clean out as necessary w/ bulldog bailer or sand pump, clean out to a hard bottom. SION.

Day 2-3

RIH w/ 4 3/4" bit, casing scraper on production tubing. Tag bottom. Hydrotest tubing going in the hole. POH w/ tubing string. NU BOP. RU wireline truck, run a gamma ray, collar locator over bottom 1000'. Make sure log is on depth w/ open-hole porosity log. Perforate w/ carrier gun (select fire or regular guns) 1 shot/ft as follows: 2940-44', 2932-36', 2904-10', 2864-80'. Total of 30 holes. Set CIBP @ 2954'. RIH w/ PPI packer, SN & tubing. Land tubing w/ packer as close to plug as possible. Swab test if time permits. Measure gas flow if significant. SION.

Day 3

RU acid pumper w/ 3000 gal 15% MCA, pickle tubing w/ 2 bbl 15% MCA, follow acid w/ Kcl water, set packer as soon as acid clears the tubing. Drop dart & control valve. Establish circulation through control valve, spot acid, locate bottom perforation, wash all new perforations w/ 1 bbl/ft 15% MCA. Fish control valve & dart. Set packer @ 2850', acidize new Yates perforations w/ remaining 15% MCA, over flush by 500 gal w/ Kcl water. Swab treatment back as time permits. Measure gas flow if significant. SION.

Day 4

Record shutin pressures. Swab test new Yates perfs. Measure any significant gas flow. Call me with the results so we can decide if we want to frac one or both zones.

Note: If we decide to do a frac job, then we will need to rent or buy a 3 1/2" work string. This well was drilled in 1956. It is cemented to the surface (750 sk) but I think it is too risky to attempt to frac this down the casing without pressure testing the

casing first. We could pressure test the casing to the estimated treating pressure. If the pressure test is ok, then we could frac down tubing and the annulus.

Day 5

If the test results are encouraging, frac well w/ CO2 foam & 10/20 Brady sand as per Halliburton using 1000-1500#/ft of perforations. Swab & flow treatment back as necessary. If flow is commercial, we will leave the cast iron plug in the well, if not we will remove it.

Note: Frac crews are frequently booked 2 weeks in advance. Since we don't know our exact schedule, we may have to prepare the well for the frac treatment, then move the rig off until a frac crew is available. We can frac the well without a rig.

Sept 30, 2003



G. A. Payne

Lease: Wells Federal
Well #: 2

Diagram: 08/20/2003
Elev KB: 3210.4
TD: 3148

Comp Date: 05/24/1956
Elev GL: 3201.9
PBD: 3100

Permit: 30-025-11440
Location: 1980 FNL 1980 FEL 4-25S-37E
County: Lea
State: New Mexico
Field: Jalmat
Operator: Herman Loeb

