

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

FORM APPROVED
OMB No. 1004-0133
Expires November 30, 2000

NMLC

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.

5. Lease Serial No.
1034711

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A Agreement, Name and/or No.

8. Well Name and No.
Baylus Cade Fed #2 & #3

9. API Well No.
30-025-10960

10. Field and Pool, or Exploratory Area
Langlie Mattix 7 Rvrs, Qn, GB

11. County or Parish, State
Lea
NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Saga Petroleum LLC

3a. Address
415 W. Wall, Suite 1900, Midland, TX 79701

3b. Phone No. (include area code)
(915)684-4293

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
#3 API 30-025-10961 - 660' FSL & 1979' FWL, Sec. 35 (N) T23S, R37E
#2 API 30-025-10960 - 1980' FSL & 1979' FWL, Sec. 35 (K) T23S, R37E

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 _____
	<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 recomplete horizontally, give subsurface locations 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 recompletion 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.)

Oil & wtr is produced into separate battery & sold via truck from this battery.
Gas produced on wells #2 & #3 is sold thru a common meter to Sid Richardson with other Baylus Cade wells, including Teague Paddock-Blinebry & Teague McKee.

Carter Foundation (drld first well on lease & first operator), Arch Petroleum, and Plains Petroleum Operating Co, previous operators sold gas thru this common meter. After researching files, could not locate any past request for surface commingling - to sell gas thru a common meter, although this has been done for quite sometime.

Respectfully request authority/permission to continue selling gas thru common meter, surface commingling for gas sales only. Gas will be allocated back to each individual well with monthly well tests as has been done in past.

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

Bonnie Husband

Title
Production Analyst

Signature

Bonnie Husband

Date
01/23/2002

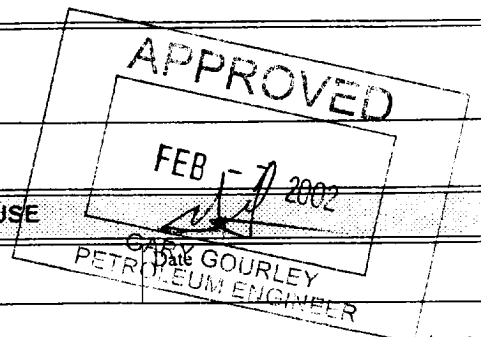
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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, 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.

(Instructions on reverse)

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