

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. 1004-0135
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
 Oil Well Gas Well Other

2. Name of Operator
 QUAY VALLEY, INC.

3a. Address
 P. O. BOX 10280, MIDLAND, TEXAS 79702

3b. Phone No. (include area code)
 (432)068-7422

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 UNIT LETTER J 1,980' FSL, & 1980' FEL
 SEC. 25, T 26 S, R 32 E

5. Lease Serial No.
 LC069515

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
 NORTH EL MAR UNIT NO. 22

9. API Well No.
 30-025-08278

10. Field and Pool, or Exploratory Area
 ELMAR DELAWARE

11. County or Parish, State
 LEA
 NM

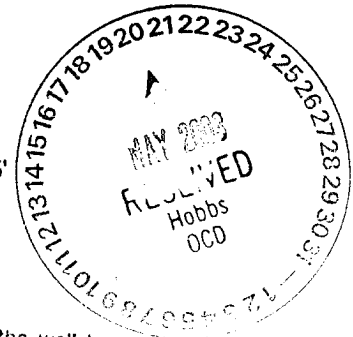
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" 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.)

04-21-03 SPOT 25 SKS. 4,625', TAG @4,256'
 PRF @3,350, COULD NOT PUMP INTO PERF @3,100', COULD NOT PUMP INTO
 04-22-03 SPOT 30 SKS. @3,400' WOC & TAG @3,266'
 04-23-02 SPOT 25 SKS. @3,245' WOPC & TAG @2,876'
 04-25-03 PERF @700' SQUEEZE 60 SKS. WOC & TAG @686'
 04-28-03 PERF @670' COULD NOT PUMP INTO SPOT 25 SKS. WOC & TAG @295'
 SPOT 10 SKS. 30' TO SURFACE

INSTALL P & A MARKER
 CIRCULATE MUD



Approved as to plugging of the well bore.
 Liability under bond is retained until
 surface restoration is completed.

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

STELLA SWANSON

Signature

Title
 PRESIDENT

Date
 05/09/2003

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) DAVID R. GLASS

Title

Date

Conditions of approval, MAY 16 2003. 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) GWW