Form 3160-5 (April 2004)

## UNITED STATES DEPARTMENT OF THE INTERIOR

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"	Expir

2.0	Expires	March 31, 2007
Lease	Serial No.	
NTM	22757	**

BUREAU OF LAND MANAGEMENT  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. NM9 2 7 5 7 6. If Indian, Allottee or Tribe Name				
SUBMIT IN TRI	PLICATE- Other inst	ructions on rever	se side.	7. If Unit or CA/Agreement, Name and/or No.				
1. Type of Well Oil Well	Gas Well Other			8. Well Name and No.				
2. Name of Operator McCabe Energy, I	nc.			Willow Lake Federal "20" 9. API Well No.	#1			
3a. Address		3b. Phone No. (include	area code)	30-015-33209				
P.O. Box 3816, M	idland, TX 7970	2 (432) 682	2-9653	10. Field and Pool, or Exploratory Area				
4. Location of Well (Footage, Sec.,	T., R., M., or Survey Description)			Willow Lake				
	, ,		•	11. County or Parish, State				
1910' FNL & 1838	' FEL, Sec. 20,	T-24-S, $R-28$	B-E, NMPM	Eddy County, NM				
12. CHECK AI	PPROPRIATE BOX(ES) TO	INDICATE NATUR	E OF NOTICE, R	EPORT, OR OTHER DATA				
TYPE OF SUBMISSION		TYF	PE OF ACTION					
Notice of Intent  X Subsequent Report	X Acidize Alter Casing Casing Repair	Deepen X Fracture Treat New Construction	Production (Standard Reclaration Recomplete	Well Integrity  Other Perforate				
Final Abandonment Notice	Change Plans Convert to Injection	Plug and Abandon Plug Back	Temporarily Al Water Disposal					
13. Describe Proposed or Complet	ed Operation (clearly state all pert	tinent details, including esti-	mated starting date of a	ny proposed work and approximate duration thereof.				

If the proposal is to deepen directionally or recomplete 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 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.)

4/15/04 SITP = 1000 psi, SICP = 1300 psi. RU pump truck & kill well with 60 bbls 9# brine down csg & 30 bbls 9# brine down tubing. ND well head, NU BOP & POOH with 2 7/8" tubing. RU Computalog, set CIBP @ 6160' & perf as follows: 5992', 5994', 5999', 6001', 6003', 6010', 6011', 6016', 6018', 6019', 6022', 6026', 6030', 6031', 6036', 6037', 6040', 6041', 6054', 6056', 6061', 6065', 6087', 6091' 2spf.

4/16/04 PU 5 1/2" PKR, RIH to 6135', RU Key Energy PPS & test CIBP (1000 psi held ok). Pull PKR to 6103', circulate the hole with 2% KCl water & spot 100 gals 7 1/2" NEFE HCl. Pull PKR to 5911' & set. Break down perfs (1000 psi) & put acid away. Acidize with 2500 gals 7 1/2% NEFE & 75 Balls (no ball out, good ball action). Max rate = 3.6 bpm, Avg rate = 3.4 bpm, Max press = 1100psi, Avg press = 970 psi. ISIP = 600 psi, 5 min = 570 psi, 10 min = 550 psi, 15 min = 550 psi. LWTR 134 bbls. RD Key Energy PPS, open well to tank on 34" choke & flwd 12 bbls LW & died (1 1/2 hrs). RU swab & made 5 runs. Beg FL = 4500', end FL = SN (5906'). Recovered @ total of 48 bbls LW (no show). LWTR = 86 bbls. SI&SDFD.

AUG 2 4 2004 OCO-ARTERIA

<ol> <li>I hereby certify that the foregoing is true and correct Name (Printed/Typed)</li> </ol>	ł						
Gregory L. Hair	Title	Executive V	/ice	Presid	ent		
Signature	Date	8/16/2004	AC	CEPTE	) FO	R RECC	RD
THIS SPACE FOR FEDERAL OR STATE OFFICE U			JSE				
Approved by		itle		AUG	2 3	2004	
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.		)ffice		ALEXIS		(MA) VOBODA NGINEER	
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Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.