

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Dist. 2

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 abandon an abandoned well. Use Form 3160-3 (APD) for such proposals.

1301 W. Grand Avenue
Alamosa, NM 88210

Serial No.

NMNM-111955

If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Penlon 28 Federal Com #1

9. API Well No.

30-015-33658

10. Field and Pool, or Exploratory Area

Avalon Morrow

11. County or Parish, State

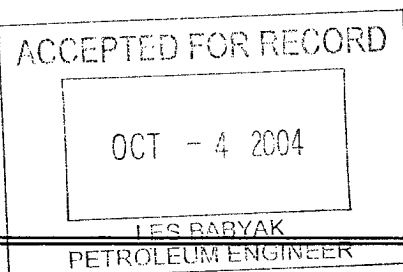
Eddy County, NM

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 checked="" type="checkbox"/> Other Csg and BOPE
	<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	

3. 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.)

09/24/04...TD'd 12 1/4" hole @ 2445'. Ran 2445' 9 5/8" K55/N80 LT&C csg. Cemented with 300 sks Class "H" Thixsad with additives. Mixed @ 14.6 #/g with 1.52 cf/sk yd. Followed with 700 sks 35:65:6 Class C with additives. Mixed @ 12.5 #/g with 1.96 cf/sk yd. Tail with 200 sks Class "C" with 2% CaCl2. Mixed @ 14.8 #/g with 1.34 cf/sk yd. Plug down at 6:15 pm 09/23/04. Circulate 36 sks. WOC 18 hrs. At 12:15 pm on 09/25/04, test BOPE and 9 5/8" casing as required to 2700# for 30 mins, held OK. Drilled out with 8 3/4" bit.



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

Kristi Green

Title Hobbs Regulatory

Signature

Kristi Green

Date 09/27/04

Approved by (Signature)

Name
(Printed/Typed)

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

Date

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.

(Continued on next page)

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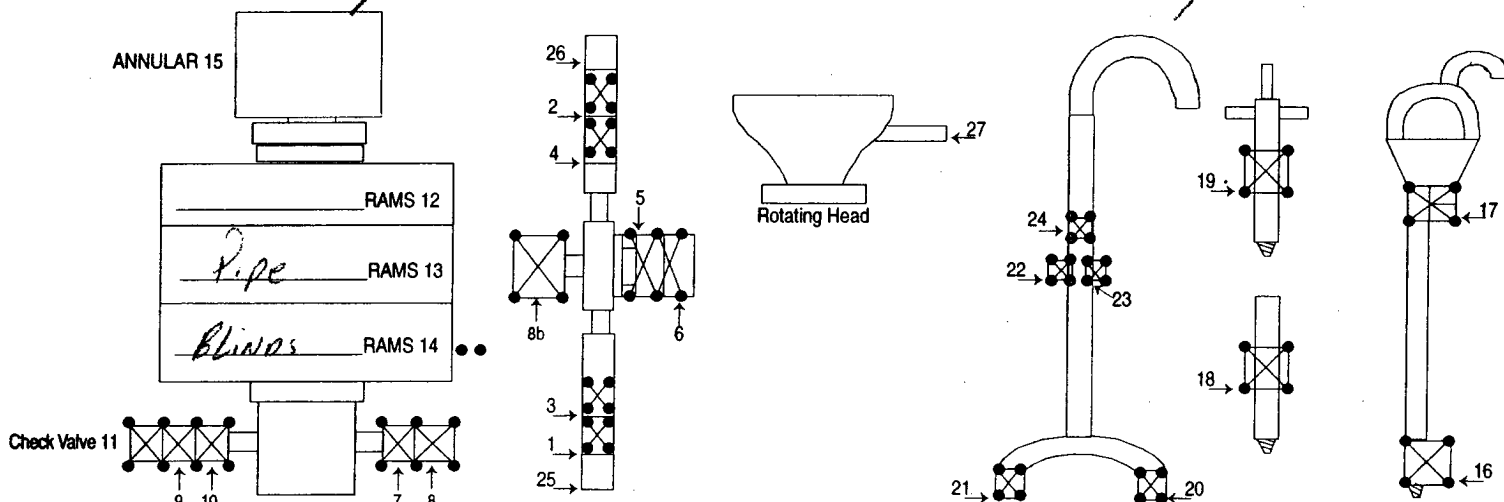
WELDING SERVICES, INC.

P.O. Box 1541 • Lovington, N.M. 88260
BUS: 505 396-4540 • FAX: 505 396-0044



INVOICE
B 2929

Company NEW BOURNE OIL CO Date 9-24-04 Start Time 600 ☒ am ☐ pm
Lease PENITIA 28 FED # 1 County EDDY State NM
Company Man _____
Wellhead Vender _____ Tester Billy Bell
Drig. Contractor PATTERSON DRILLING Rig # 41
Tool Pusher _____
Plug Type C.32 Plug Size 11" Drill Pipe Size 4 1/2 x 14
Casing Valve Opened YES Check Valve Open YES



TEST #	ITEMS TESTED	TEST LENGTH	LOW PSI	HIGH PSI	REMARKS
1	14, 26, 1, 6, 10	10 min		5000	
2	14, 10, 1, 2, 6	10 min		5000	
3	14, 9, 3, 4, 5	10 min		5000	
4	14, 11, 3, 4, 5	10 min		5000	
5	13, 11, 8	10 min		5000	
6	13, 11, 7	10 min		5000	
7	15, 11, 7	10 min		2500	
8	13, 11, 5, 4, 25	10 min		5000	
9	19	10 min		5000	
10	18	10 min		5000	
11	16	10 min		5000	
12	17	10 min		5000	

8 HR@ 900.00
HR@ _____
Mileage @ _____

SUB TOTAL 900.00
TAX 48.15
TOTAL 948.15

Accumulator Function Test - OO&GO#2

To Check - USABLE FLUID IN THE NITROGEN BOTTLES (III.A.2.c.i. or ii or iii)

- Make sure all rams and annular are open and if applicable HCR is closed.
 - Ensure accumulator is pumped up to working pressure! (Shut off all pumps)
1. Open HCR Valve. (If applicable)
 2. Close annular.
 3. Close **all** pipe rams.
 4. Open one set of the pipe rams to simulate closing the blind ram.
 5. For 3 ram stacks, open the annular to achieve the 50±% safety factor. (5M and greater systems).
 6. Record remaining pressure 1500 psi. Test fails if pressure is lower than required.
 - a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}
 7. If annular is closed, open it at this time and close HCR.

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OCT 06 2004

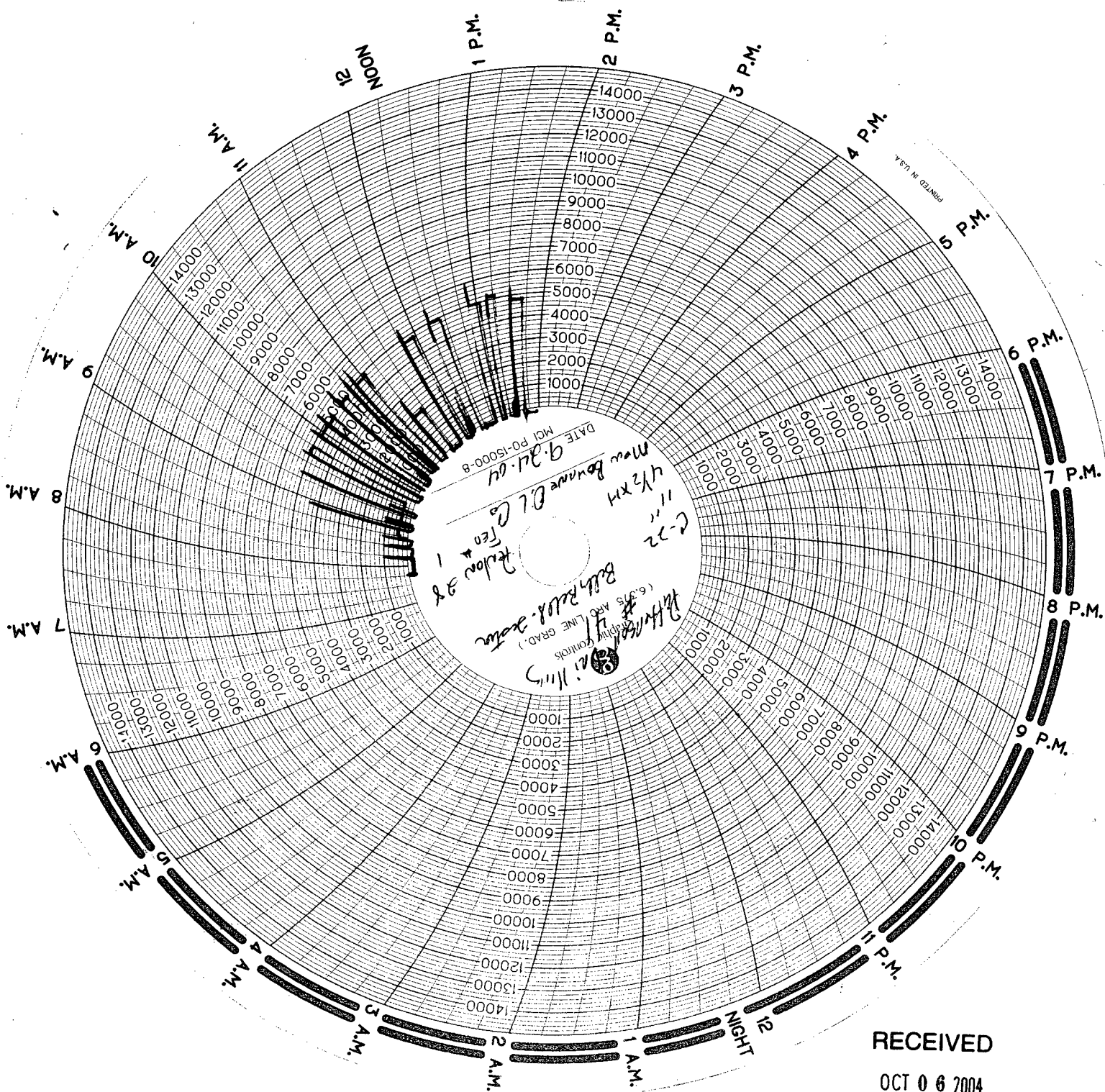
To Check - PRECHARGE ON BOTTLES OR SPHERICAL (III.A.2.d.)

- Start with manifold pressure at, or above, maximum acceptable pre-charge pressure: **OO&GO#2**
 - a. {800 psi for a 1500 psi system} b. {1100 psi for 2000 and 3000 psi system}
1. Open bleed line to the tank, slowly. (gauge needle will drop at the lowest bottle pressure)
 2. Close bleed line. Barely bump electric pump and see what pressure the needle jumps up to.
 3. Record pressure drop 1200 psi. Test fails if pressure drops below minimum.
 - Minimum: a. {700 psi for a 1500 psi system} b. {900 psi for a 2000 & 3000 psi system}

To check - THE CAPACITY OF THE ACCUMULATOR PUMPS (III.A.2.f)

- Isolate the accumulator bottles or spherical from the pumps & manifold.
 - Open the bleed off valve to the tank, {manifold psi should go to 0 psi} close bleed valve.
1. Open the HCR valve, {if applicable}
 2. Close annular.
 3. With **pumps** only, time how long it takes to regain the required manifold pressure.
 4. Record elapsed time 10 sec. Test fails if it takes over 2 minutes.
 - a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}

Accumulator working pressure rating	Minimum acceptable operating pressure	Desired precharge pressure	Maximum acceptable precharge pressure	Minimum acceptable precharge pressure
1,500 psi	1,500 psi	750 psi	800 psi	700 psi
2,000 psi	2,000 psi	1,000 psi	1,100 psi	900 psi
3,000 psi	3,000 psi	1,000 psi	1,100 psi	900 psi



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APPENDIX