

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1501 W. Grand Avenue

ALBUQUERQUE NM 88210

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**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 ☐ Other2. Name of Operator **Preston Exploration, LLC**3a. Address
P. O. Box 7520, The Woodlands, TX 773873b. Phone No. (include area code)
281-367-8697

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

**2130' FNL & 1880' FWL
Section 20, T 19 S, R 27 E**

5. Lease Serial No.

NM 13627-A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Palms 20 Federal Com #1

9. API Well No.

30-015-33582

10. Field and Pool, or Exploratory Area

Lake East Morrow

11. County or Parish, State

Eddy County, New Mexico**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 Casing & TD
	<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 recomplate 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 recomplate 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.)

10-30-04 Ran 225 Jts 5-1/2", 20#, L-80 casing set at 10,300'. Cemented with 1200 sxs Class H. Bumped plug with 2522psi, float held ok. Tested to 5000#, OK. Calculated TOC 6,000'.

Rig released at 2400 hrs 10-31-04. Total depth 10,300'.

ACCEPTED FOR RECORD

NOV - 9 2004

LES BABYAK
PETROLEUM ENGINEER14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**Sandra Nobles**Title **Consultant**

Signature

Sandra Nobles

Date

11/04/2004**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

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.

Title

Date

Office

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.

(Instructions on page 2)