

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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 ☐ Other

2. Name of Operator

KTO ENERGY INC.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)

505-324-1090

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

1790'FSL, 915'FEL, SEC 03,T30N,R12W

5. Lease Serial No.

NMSF-081239

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
KELLY LC #5

9. API Well No.

30-045-09869

10. Field and Pool, or Exploratory Area

BLANCO MESA VERDE

11. County or Parish, State

SAN JUAN

NM

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

## TYPE OF SUBMISSION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice

## TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☒ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other DOWNHOLECOMMINGLE

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 recomple 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 final site is ready for final inspection.)

KTO Energy Inc. opened additional pay in the Basin Dakota to downhole commingle with the Blanco Mesaverde (DHC-1857AZ) in the following manner:

MIRU. ND WH. NU BOP. TOH w/NC, SN & tbg. RU AFU. Estb circ.DO cmt fr/5926'-6705'. RDMO AFU,. MIRU WLJ. Ran GR/CCL. Perf'd Lwr DK fr/6672'-6797' (0.34" dia, 25 holes). TIH w/tbg. MIRU frac & ac equip. Acidized w/1000 gals 15% FE HCL acid. Frac'd w/92,108 gals 20# Delta 200 frac fluid carrying 99,600# 20/40 Ott & 83,000# SLC sd. MIRU rig. Rltd pkr @ 6093'. TOH w/tbg. Tbg stuck. Ppd dwn tbg w/50 bbls 2% KCl wtr. Wrkd tbg 4 hrs. Run freepoint survey: @4450', 100% free; @4500', 0% free. Pkr @ 5247'. Tbg stuck in MV perfs. RDMO WLJ. MIRU AFU. Unable to circ well. RD AFU. MIRU WL. TIH w/chem tool & chem cut 3-1/2", 9.3# tbg @ 4445'. RDMO WLJ. Left in hole w/cut off, 28 jts 3-1/2" tbg & pkr. Estb circ. RD AFU. RU pwr swivel. Caught fish. RD pwr swivel. Estb circ w/AFU. Used 28 bbls 2% KCl wtr w/AFU. TOH w/tbg, SN, NC. PBTD @ 6808'. PT tbg; tstd OK. Set 147 jts 2-3/8", 4.7#, J-55 tbg @ 6786'. Set Ppg Ut & gas eng. Std PU & RWIP as DHC DK/MV 2 5:00 pm, 7/26/05

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

HOLLY C. PERKINS

Title

HOLLY C. PERKINS

Date

8/2/2005

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

AUG 16 2005

Approved by

Title

FARMINGTON FIELD OFFICE

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, and Title 43 U.S.C. Section 1212, 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.

NMOCD