

UNITED STATES
DEPARTMENT OF THE INTERIOR
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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.
NM - 18455
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other
2. Name of Operator
Westerly Exploration Inc.
3a. Address c/o Thompson Engineering & Production Corp.
7415 East Main St. Farmington, NM 87402
3b. Phone No. (include area code)
(505) 327-4892
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1652' FNL & 975' FWL Sec. 32, T23N, R1W

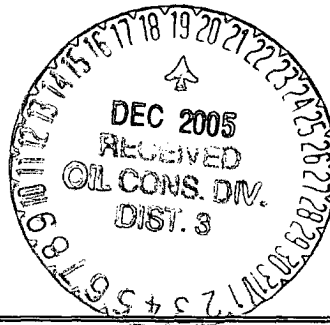
8. Well Name and No.
ATENCIO #1
9. API Well No.
30-043-20671
10. Field and Pool, or Exploratory Area
WILDCAT
11. County or Parish, State
Sandoval, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" 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 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 SEE BELOW
	<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 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.)

10/17/05 - 10/24/05 Westerly Exploration has performed a downhole pressure test on the Atencio #1, and currently are negotiating with Enterprise to tie into their line and start producing. Extended until 7/1/06



RECEIVED
070 FARMINGTON NM
2005 DEC 12 PM 1 39

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
West Hahn
Signature *West Hahn*
Title
Production Foreman
Date
December. 8, 2005

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 operation thereon.
Title 18 U.C.S. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Title
Office
ACCEPTED FOR RECORD
DEC 14 2005

FARMINGTON FIELD OFFICE

NMOC

Well Testing Report

Operator: Texas Crude Operator, Inc
Well Tested: Atencio # 1
API # 30-043-20671
Pool Wildcat PC/MV
Sandoval County NM
SEC 32, T 23N, R1W

Beginning Testing date Oct 10th 2005 Ambient Temp 51 degrees and raining hard. Travel to location. NU Tefteller Inc. To run a bottom hole pressure survey. Initial gage pressure on the tubing 840# and the casing pressure 860#. Tag TD at 4501'. Run in with a gage ring and tag up solid at 985'GL. Full Report from Tefteller will follow.

Open the well to the old reserve to blow via a surface flow line while hooking up the test meter/separator combo unit. Blew the well for 40 minutes. Casing pressure at 210# and the Flowing Tubing pressure is 195 #'s. Well is dry. Set the meter run static pressure at 106# to simulate the closest Enterprise gathering system line pressure. Initial flow rate thru the Electronic flow meter with a .750 orifice plate 558 Mcf/d, Static flow pressure on the meter is 106#'s. Flow rate after 1 hour 559 mcf/d, Casing Pressure @ 295#'s and the FTP @ 280#. 0 fluid to surface. Flow rate after 2 hours 440 mcf/d Casing Pressure (climbing) 580#, Tubing Pressure 580# The well is trying to freeze off in 3 different chokes. Static pressure at the meter 106#'s. Change the orifice plate from a .750 plate to a 1.250 plate at the 3rd hour flow time. Well had built a Casing pressure of 610#'s and a flowing tubing pressure of 600 #'s. (Freezing in the choke). Vent the well to the blow pit while changing the plate.

Initial flow rate after the plate change 742 mcf. Casing pressure at 200#'s and the Tubing pressure at 175#'s, Differential on the meter is 46"'s and the static pressure on the meter tube 106#'s. 30 minutes after the plate change the flow rate is 878 mcf/d, Casing @ 290#, Tubing @ 280# and climbing.

Flow rate at 5:00 pm. 784 mcf/d, Casing at 310#, Tubing at 300#. The well is venting dry gas. Static pressure is 106# on the meter run. 0 fluid to the surface. Raining hard.

October 11, 2005

8:00 am Flow rate at 595 mcf/d, Casing pressure at 170 #'s, Tubing pressure at 168 #'s.
Static pressure on the meter 106#'s.

11:45 am Flow rate at 570 mcf/d and the casing pressure is at 170 #'s and the tubing pressure is at 160#'s. Static pressure on the meter 106 #'s. Zero fluid to the surface.

6:00 pm Flow rate of 534 mcf/d and the casing pressure is at 155#'s and the tubing pressure is at 145#'s. Zero fluid to surface.