

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF078480
2. Name of Operator PHOENIX HYDROCARBONS OPERATING CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address P O BOX 3638, MIDLAND, TEXAS 79702	3b. Phone No. (include area code) 432-686-9869	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1390' FSL & 790' FWL; L; SEC 25; T-27N, R-8W 20 mi SO of BLANCO		8. Well Name and No. FEDERAL E #1R
		9. API Well No. 30-045-31816
		10. Field and Pool, or Exploratory Area BLANCO MESAVERDE
		11. County or Parish, State SAN JUAN CO, 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 SPUD & DRLG
	<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 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.)

10/24/03 RU Bearcat #5; Spud @ 2:15 AM.

10/25/03 682'; run 9 jts 8 5/8" 23# J-55 csg, set @ 264'; RU Hallubrtton-cmt w/175 sks std cmt, w/additives-2% CC, 1/4# Flocele @ 15.6# ppg; cir 10 bbls cmt to surface; pressure csg to 500 psi for 30 min, held OK; 8 hrs WOC; 1/2 hr test BOP to 1500 psi hi & 200 psi low.

10/26/03 2,150'; drlg

Continue on back

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Phyllis R. Gunter		Title Agent
Signature <i>Phyllis R. Gunter</i>		Date 11/11/03

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 Office	Date NOV 20 2003
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ACCEPTED FOR RECORD

FARMINGTON FIELD 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.

NMOCD

10/27/03 3,687'; drlg.

10/28/03 4,158'; drlg.

10/29/03 4,740' drlg; RU Schlumberger to log.

10/30/03 Ran Density-Neutron & Induction logs; run 114 jts 4½", 10.5#, J-55 csg, set @ **TD 4,746'**; RU Halliburton & cmt w/50 sks std & 240 sks 50/50/std/POZ cmt @ 13.32# gal, w/6% Halad 9, 5# Gilsonite & ¼# Flocele; circ 5 bbls good cmt to surf; press up csg to 1200 psi, held OK for 26 min.

10/31/03 Hookup Halliburton; pump 2nd stage, lead cmt 570 sks std @ 13.3 ppg w/2% econolite, .2% Veraset, .8% Halad 9, 5# Gilsonite & ¼# Flocele; tail, 100 sks std w/5# 15.4 pp Gilsonite & ¼# Flocele; PD @ 8:02 AM; circ out 5 bbls cmt out on 1st stage & 55 bbls CMT on 2nd stage; cut off & set slips @ 10:00AM; RD.

11/6/03 MIRU Triple P Well Service; NU BOP; PU 3⅞" mill & 6-3⅞" DC; PU 95 jts 2⅞" tbgs & RIH, tag cmt @ 3,245'; drlg 136' cmt to DV tool @ 3,381'; RD swivel; RIH & tag soft cmt @ 4,632'; drlg to float collar @ 4,702'.

11/7/03 Tag btm, no fill, displace hole w/4% KCL; press test csg to 500#, OK; POH LD 2⅞" tbgs & 6-DC; ND BOP; RU Computa Log & run cmt Bond Log; RD wireline; RD rig & equip; **PBTD 4,696'**.