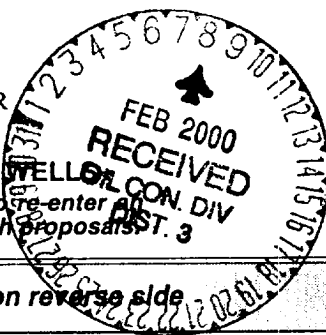


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

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<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>NM-03991                         |
| 2. Name of Operator<br>NM&O Operating Company  |   | 6. If Indian, Allottee or Tribe Name                    |
| 3a. Address<br>6 East 5th St., # 200 Tulsa, OK 74103   | 3b. Phone No. (include area code)<br>918-584-3802 | 7. If Unit or CA/Agreement, Name and/or No.             |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>826' fnl & 861' fwl<br>Sec. 24-T25N-R2W                |   | 8. Well Name and No.<br>Federal #10                     |
|  |   | 9. API Well No.<br>30-039-0595600                       |
|  |   | 10. Field and Pool, or Exploratory Area<br>Gavilan P.C. |
|  |   | 11. County or Parish, State<br>Rio Arriba, 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 checked="" 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 type="checkbox"/> Other _____    |
|   | <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 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.)

RE: NMNM 03911, et. al.  
3160 (010-AMJ)

July, 1999:

Graded road to location and dug out around wellhead and flowlines. MIRU Key Energy Services ("Key"). Held safety meeting, NDWH. NUBOP. POH and lay down 115 jts 2 1/2" tbg. NDBOP. NUWH. Release Key. MIRU Halliburton Energy Services ("Halliburton") Run Thermal Multigate Decay Log from 3506' to 2490'. Run Casing Inspection Log from 3433' to surface. Release Halliburton.

Note: Based upon the cased hole logs run, plans are to reenter the Federal #10 Well with a watermelon mill and attempt to clean out to approximately 3565'. A 2 1/2" completion assembly with production packer set @ approximately 3490' would then be run. The Pictured Cliffs zone interval 3512'-3522' acidized with 250 gallons 15% HCL and completed for production. Plans are to commence the planned well work in October, 1999.

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

Larry D. Sweet

Title

President

Signature

Date

9/8/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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, 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.

(Instructions on reverse)