

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

FORM APPROVED
OMB No 1004-0137
Expires: July 31, 2010

JUL 07 2011

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter a
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Marshall & Winston, Inc.

3a. Address

P. O. Box 50880
Midland, TX 79710-0880

3b. Phone No. (include area code)

432-684-6373

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

SURF: Unit I 2310' FSL & 330' FEL
BHL: Unit L 2310' FSL & 330' FEL

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

Laguna Deep Unit NM 70966X

8. Well Name and No

Laguna Deep Unit Fed 35 #1

9. API Well No.

30-025-39946

10. Field and Pool or Exploratory Area

Teas Bone Springs #58960

11. Country or Parish, State

Lea Co., NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Spud, Casing, Reach TD & Rig Release.
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

MIRU Precision Dril Rig #863. Spud 17 1/2" hole @ 10 AM, 11/07/10. Drld 17 1/2" hole to 1375'. 11/17/10, ran 32 jts 13 3/8" 54.5# J-55 STC csg. Set @ 1375'. Cmt w/ 800 sx Class C + 4% gel + 2% CaCl + 25#/sk CF. Tail w/ 430 sx Class C + 2% CaCl + 25#/sk CF. Circ 99 bbl/317 sx to surf. Plug not holding, close in w/ 410#. WOC 24 hrs. Cmt top @ surf. NU & tst equip to 2000#. 12/03/10, ran 129 jts 9 5/8" 40# N-80 LTC csg. Set @ 4873'. Cmt 1st stage w/ 370 sx 35:36:40 Poz C gel + 5% salt + .11#/sk LCM. Tail 1st stage w/ 250 sx "C" + .25#/sk CF. Pmp plug down & set Weatherford pkr @ 3402' w/ 2618# press. Pmp w/ rig pmp 258 GPM, 45 bbl, gained circ & circ f/ 2nd stage. Cmt 2nd stage w/ 780 sx 35:65:6 Poz C gel + 5% salt + .13#/sk CF + 5#/sk LCM-1. Tail w/ 100 sx "C" + .25#/sk CF. Bump plug w/ 2755# press - held OK. No cmt to surf. WOC 24 hrs. Pmpd 1st stage cmt thru 1" tbg w/ 200 sx "C" + 2% CaCl thru 1" to 1601'. 12/04/10, Pmpd 2nd stage cmt thru 1" tbg w/ 200 sx "C" Neat + 200 sx "C" + 2% CaCl 14.2 PPG to surf (BLM rep OK). LD 1" tbg. No cmt to surf. WOC 24 hrs. 01/06/11, reached total vertical depth of 9882'. 01/03/11, RIH w/ 235 jts 7" 26# N-80 & P-110 LTC csg. Set @ 9739'. BJ cmt w/ lead 2100 sx 35:65:4 Poz C gel + 5% salt + 13#/sk CF + 5#/sk LCM-1. Tail w/ 375 sx Cl "H" + 1% FL-62 + .3% CD-32. Circ 451 bbl cmt to surf. Bump plug w/ 4003# - held OK. WOC 27 hrs. TD 6 1/8" hole @ 13,924' MD, 01/23/11. Run 109 jts 4 1/2" 11:6# P-110 csg (4323.73'). Set @ 13,499' MD (set 4 1/2" csg @ 9153' top MD for prod reasons (to put pmp further down into 7")). Cmt w/ 425 sx 50:50 Poz H gel + 3% salt + 15% R3 + 2% CD32 + 15% SMS.5. Hit bridge @ 13,499'. Bump plug w/ 1438#, set pkr w/ 3122#, sting out liner & tst pkr w/ 1124#. Release Rig @ 6 PM, 01/30/11. DVT @ 3399'. Top of liner 9153' - set depth 13,499'. Landing collar @ 13,447'. FC @ 13,494'. Shoe @ 13,499'.

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

Gabe Herrera

Title Engineer

Signature

Date

05/24/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

JUL 2 2011

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 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)

CONFIDENTIAL

JUL 07 2011

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not scaled off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

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BUREAU OF LAND MANAGEMENT
CAPTAIN'S OFFICE