

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Alamosa, NM 88210

FORM 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

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM59378
2. Name of Operator E.G.L. Resources, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 10886 Midland, TX 79702		7. If Unit or CA/Agreement, Name and/or No. NMNM72506
3b. Phone No. (include area code) 432-687-6560		8. Well Name and No. Happy Valley Fed Com #1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1780' FNL & 1830' FEL, Sec. 28, T 22S, R 26E		9. API Well No. 30-015-25243
		10. Field and Pool, or Exploratory Area South Carlsbad
		11. County or Parish, State Eddy Co., 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 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 checked="" 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 checked="" 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 recompleate 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 recompleation 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.)

5-14-03 Attempt to release pkv. Cut hbg + push pkv to btm (9710'). Set CIBP @ 9125' in 25' of cmt. Set CIBP @ 5260' in 25' of cmt. Perf Bone Springs 5034'-52' (18' + 36 holes). Swab. Acidized w 2000 gals 15% HCl + add. + 75-BS. O/O to 3800 psi. Rate 4-5 bpm @ 1500 psi. ISIP-680 15min-SSO Swab. Rec gas + some condensate + wtr

2-12-04 Frac 5034'-52' in 8260 gals, 30 tons CO₂ (SDR) + 18,932 # 16/30 sand down 2 7/8" hbg. Screened out to 6000 psi in 4ppg sand on perfs Rate 14 bpm + 3400 psi. Plow/Swab. Rec 30% oil, 50% water, 20% BS

5-28-04 Equip well to pump in Lufkin 228-173-100 in gas engine.

0-11-05 Set CIBP @ 4975' in 25' of cmt. Perf Delaware 4692'-4712'. Swab mostly wtr. Attempt to pump. Non-commercial.

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

B. I. "Chipper" Doppel

Title Engineer

Signature

Date

01/12/2006

ACCEPTED FOR FEDERAL OR STATE OFFICE USE

Approved by

SGD/ DAVID H. GLASS

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 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)