

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Aresia, 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 side.

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **E.G.L. Resources, Inc.**

3a. Address
P.O. Box 10886 Midland, TX 79702

3b. Phone No. (include area code)
432-687-6560

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1780' FNL & 1830' FEL, Sec. 28, T 22S, R 26E

5. Lease Serial No.
NMNM59378

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM72506

8. Well Name and No.
Happy Valley Fed Com #1

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 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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.)

Proposed P&A Procedure:

1. Set 125' cmt plug from 4715' to 4590' using 2 7/8" prod. tbg.
2. Balance plug across 9 5/8" shoe (2695') from 2750' to 2650'. Tag. w 2 7/8" tbg.
3. Balance plug across 13 3/8" shoe (1647') from 1700' to 1600'. Tag. w 2 7/8" tbg.
4. Balance surface plug from 50' to surface. Open 5" x 9 5/8" annulus and fill annulus w 50' of cmt.
5. Install P&A marker. Remove all equipment on location. Clean location.

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

B. I. "Chipper" Phipps

Title **Engineer**

Signature

Date

01/12/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

SGD. DAVID K. GLASS

PETROLEUM ENGINEER

Date

JAN 19 2006

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)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

WELL DATA SHEET

FIELD: South Carlsbad

WELL NAME: Happy Valley Fed Com #1

FORMATION: Delaware

LOC: 1780' FNL & 1830' FEL
Sec 28, T 22S, R 26E

COUNTY: Eddy
STATE: NM

GL: 3336.5'
KB to GL: 23.3'

CURRENT STATUS: Shut-in
API NO: 30-016-26243

13-3/8", 54.5#, K-55, set @
1847' w/ 2000 sxs cmt.
17-1/2" hole. TOC @ SFC.

Perf sqz holes @ 1865'. Run
alignment tool & sqz w/ 425 sxs

9-5/8", 40#, K-55, set
@ 2695' w/ 775 sxs cmt.
12-1/4" hole. TOC @ surface.

Tubing Detail: 10/12/05

150 jts 2-7/8" 6.5# N-80 tbg & SN.
186 - 3/4" Grade D Norris rods

CIBP @ 4975' w/ 25' of cmt

CIBP @ 5260' w/ 25' of cmt

DV tool @ 5316' w/ 1100 sxs

TOC @ 5614' (CBL)

CIBP @ 9125' w/ 25' of cmt

Baker Lok-set pkr pushed to btm

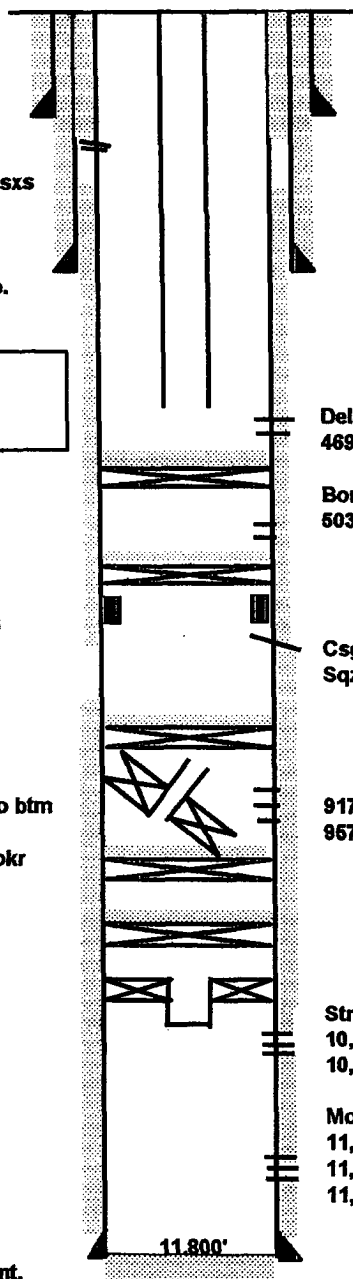
RBP @ 9710' w/ slips from pkr
ontop. Could not pull

RBP @ 10,120' - ?

Baker FAB1 pkr @ 10,213'
FWG blanking plug in pkr

TOF Vann gun @ 11682'

5", 20.8# P-110
set @ 11,838' w/ 2000 sxs cmt.
8-1/2" hole. TOC - 500' (est.)



Date Completed: 7/85

Initial Production:

Initial Formation: Strawn From: 10,294' To: 10,338'

Completion Data:

Perforated 10,294'-316' & 10,326'-38' (Strawn). BHP - 4739# @ 10,243'. BHT - 173 degrees.

Wellbore History:

8/88 Add Morrow perfs 11,628'-650' & 11,654'-66'. Comingled w/ Strawn

9/14/88 BHP - 1245# @ 10,980'

9/30/90 Perf 11,556'-61', 11,476'-80', 11,434'-42', 11,400'-24', 11,380'-84', 11,362'-72', 11,294'-11,304', 11,278'-86', 11,258'-70' (4 jspl)

3/02/93 Perf 9571'-86' (61 holes) Broke @ 2580 psi, displ 250 gals 10% acetic acid. Swab. Acidize w/ 3000 gals 15% NeFe & 120 BS. Max-4600 psi Avg 3200 @ 4.5 bpm.

6/05/93 Well producing black foamy wtr. Parted csg @ 1842'-46' w/ csg leak @ 5432'. Run alignment tool & sqz parted csg w/ 425 sxs cmt. Dress off tight spot. Sqz csg leak @ 5432' w/ 100 sxs cmt & obtained 2000 psi sqz. D/O & put on production.

7/02/93 Acidized w/ 1500 gals 7 1/2% AF66 @ 2 bpm & 1900-2250 psi

9/19/03 Perf 9508', 9472', 60', 47', 10', 07', 9380', 56', 9243', 40', 31', 29', 9193', 92', & 9179' (30 holes). Acidized w/ 4000 gals.

12/28/93 Acidize perfs 9179'-9508' w/ 2500 gals 7 1/2% HCl. Frac w/ 35,000 gals & 44,000# 20-40 resin sand.

5/14/03 Cut tbg & push Lok-set pkr to btm (9710'). Set CIBP @ 9125' w/ 25' of cmt. Set CIBP @ 5260' w/ 25' of cmt. Perf Bone Springs 5034'-52' (18' & 36 holes). Swab. Acidized w/ 2000 gals 15% HCl + add. & 75 BS. B/O to 3800 psi. Rate 4-5 bpm @ 1500 psi. ISIP - 680 15 min - 550. Swab.

2/12/04 Frac 5034'-52' w/ 8260 gals, 30 tons CO2 (50Q) & 18,932# 16/30 sand dwn 2 7/8" tbg. Screened out to 6000 psi w/ 4 ppg sand on perfs. Rate 14 bpm & 3400 psi. Flow/Swab.

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

10/11/05 Set CIBP @ 4975' w/ 25' of cmt. Perf Delaware 4692'-4712'. Swab mostly wtr. SD gas engine.

WELL DATA SHEET

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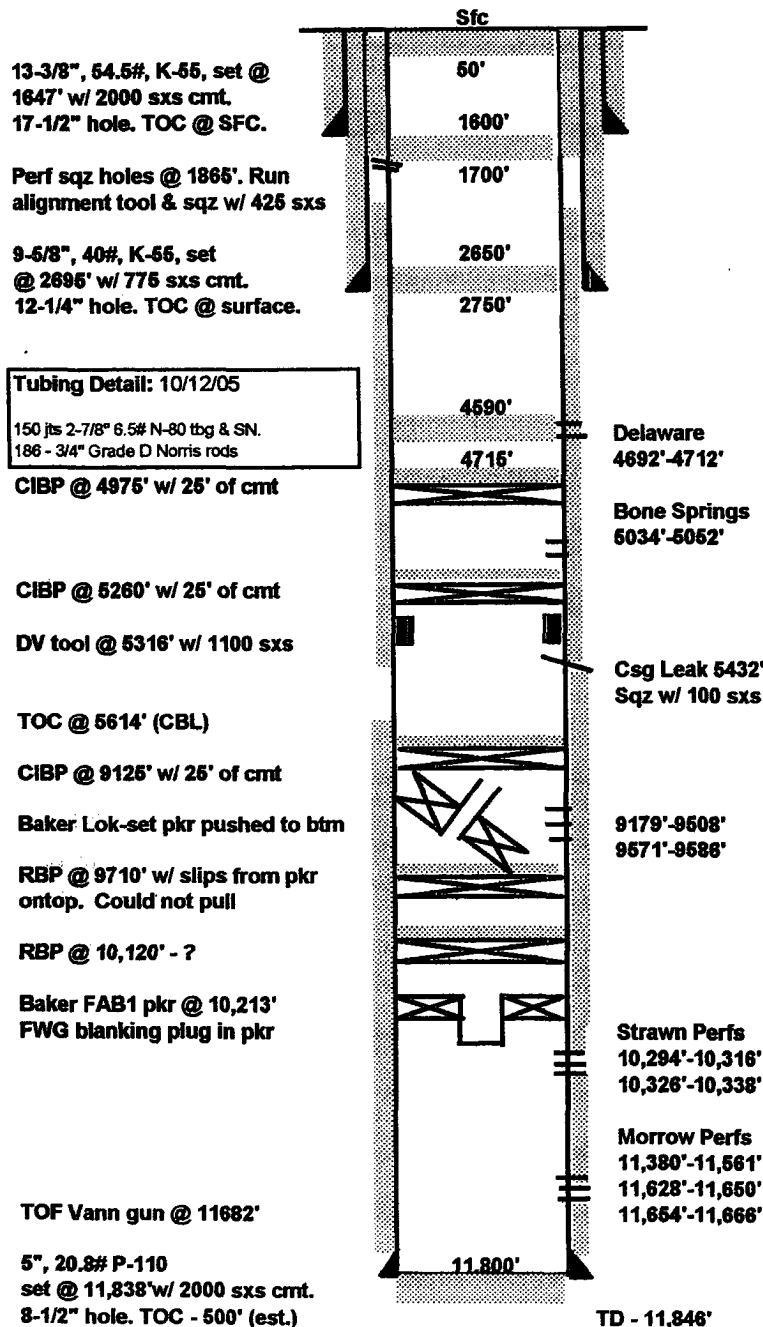
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