Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED					
OMB NO. 1004-0135					
Expires: November 30, 200					

5. Lease Serial No.

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SUNDRY NOTICES Do not use this form for abandoned well. Use Fort		THE MECEN	2006 21222 ESIA 2	NM-12828 6. If Indian, A	Illottee or Tribe Name
SUBMIT IN TRIPLICATE -	Other instructions	on reverse side		7. If Unit or C	A/Agreement, Name and/or N
Type of Well Oil Well		192	2463	8. Well Name Shelby 12 9. API Well N	Federal #8
		3b. Phone No. (include ar 432 - 685 - 5717	ea code)	30-015-351 10. Field and	70 Pool, or Exploratory Area Hills, Up. Penn
12. CHECK APPROPRIATE TYPE OF SUBMISSION	BOX(ES) TO INI		NOTICE, REPOPE OF ACTION	ORT, OR OTI	HER DATA
Notice of Intent X Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injecti	Deepen Fracture Treat New Construction Plug and Abandon		e y Abandon	Water Shut-Off Well Integrity X Other Set Casing & Cement
13. Describe Proposed or Completed Operation (clearly If the proposal is to deepen directionally or recomp Attach the Bond under which the work will be per following completion of the involved operations. It testing has been completed. Final Abandonment I determined that the final site is ready for final inspection.	olete horizontally, give soformed or provide the lift the operation results in Notices shall be filed or	subsurface locations and mea Bond No. on file with BLM/ n a multiple completion or re	sured and true ver /BIA. Required so ecompletion in a r	tical depths of al absequent reports new interval, a Fo	Il pertinent markers and zones. s shall be filed within 30 days orm 3160-4 shall be filed once

See other side/attached

14. I hereby certify that the foregoing is true and correct Name (Printed Typed)	Title			
David Stewart	Sr. Regulatory Analyst			
fr: Stat	Date 12(11(06			
THIS SPACE FOR	FEDERAL OR STATE OFFICE USI			
Approved by	Title	Date		
Conditions of approval, if any, are attached. Approval of this notice does a certify that the applicant holds legal or equitable title to those rights in the which would entitle the applicant to conduct operations thereon.	not warrant or Office subject lease	<u> </u>		

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SHELBY 12 FEDERAL #8

Date: 11/14/2006

DRLG 8 3/4" PRODUCTION HOLE FROM 1594' TO 1794' W/ 35K ON BIT, 70 RPMS, 340 GPM @ 1100 PSI

WLS @ 1752' (1.75") RUN WITH RIG TOTCO

DRLG 8 3/4" PRODUCTION HOLE FROM 1794" TO 1930' W/ 35K ON BIT, 70 RPMS, 340 GPM @ 1100 PSI

Date: 11/15/2006

DRILL 8 3/4" HOLE FROM 1930' TO 2082' W/ 35K ON BIT, 65 RPMS, 340 GPM @ 1100 PSI

WLS @ 2036' (1.5") RIG TOTCO

DRILL 8 3/4" HOLE FROM 2082' TO 2350' W/ 45K ON BIT. 65 RPMS, 340 GPM @ 1100 PSI

Date: 11/16/2006

DRLG 8 3/4" HOLE FROM 2350' TO 2590' W/ 45K ON BIT, 65 RPMS, 350 GPM @ 1100 PSI

WLS @ 2548' (1.5°)

DRLG 8 3/4" HOLE FROM 2590' TO 2830' W/ 45K ON BIT 65 RPMS, 350 GPM @ 1100 PSI

Date: 11/17/2006

DRLG 8 3/4" HOLE FROM 2853' TO 3020' W/ 40K ON BIT, 65 RPMS, 350 GPM @ 1100 PSI

WLS @ 2978' (1.25")

DRLG 8 3/4" HOLE FROM 3020' TO 3272' W/ 45K ON BIT, 65 RPMS, 350 GPM @ 1100 PSI

Date: 11/18/2006

DRILL 8 3/4" HOLE FROM 3272' TO 3541' W/ 45K ON BIT, 65 RPMS, 350 GPM @ 1100 PSI

WLS @ 3499' (1.25*)

DRILL 8 3/4" HOLE FROM 3541' TO 3618' W/ 45K ON BIT, 65 RPMS, 350 GPM @ 1100 PSI

Date: 11/19/2006

DRLG 8 3/4" HOLE FROM 3618' TO 3970' W/ 50K ON BIT, 65 RPMS, 350 GPM @ 1100 PSI

SAFETY MEETING, RU SCIENTIFIC DRLG, RUN MGYRO, TAKE 100' SHOTSN, RD SCIENTIFIC DRLG (SURVEY @ 3930', 2.58 INC, 258.34

AZIMUTH)

TOOH W/ 27 STANDS DP

SAFETY MEETING, RU BULL ROGERS LD MACHINE

LD 14 JTS 4 1/2" DP, 30 6" DC'A AND ALL BHA

SWITHC LD MACHINE TO PU NEW BHA AND HWDP

PU NEW BIT AND DIRECTIONAL TOOLS

Date: 11/20/2006

FINISH PU NEW BHA AND HWDP SAFETY MEETING. RD LD MACHINE

FINISH TIH

WASH AND REAM 60' TO BOTTOM (NO FILL)

DRLG 8 3/4" DIRECTIONAL HOLE FROM 3970' TO 4320' SLIDE A TOTAL OF 40' W/ 15K ON BIT 85 DH RPMS, TOOL FACE @ 200" AZIMUTH, 350 GPMS @ 1300 PSI (AVG SLIDING ROP 19.33 FT/HR) ROTATE A TOTAL OF 310' W/ 45K ON BIT 120 RPMS 350 GPM, @ 1250 PSI (AVG ROP OF 22

Date: 11/21/2006

DRLG 8 3/4" HOLE FROM 4320' TO 4740' SLIDE A TOTAL OF 46' W/ 25 K ON BIT 125 RPMS, 350 GPM @ 1200 PSI; ROTATE A TOTAL OF 374' W/ 45K ON BIT 125 RPMS 350 GPM @ 1200 PSI

Date: 11/22/2006

DRILL 8 3/4" HOLE FROM 4740' TO 5203' SLIDE DRILL A TOTAL OF 25' W/ AVG 20K ON BIT 125 DH RPMS, 350 GPM @ 1200 PSI W/ TOOL FACE OF 210" AZIMUTH; ROTATE A TOTAL OF 438' W/ 45K ON BIT 125 DH RPMS, 350 GPM @ 1200 PSI

Date: 11/23/2006

DRILL 8 3/4" PRODUCTION HOLE FROM 5203' TO 5626' SLIDE DRILL A TOTAL OF 57' W/ 20K ON BIT 125 DH RPMS TOOL FACE OF 210" 350 GPMS @ 1200 PSI; ROTATE A TOTAL OF 366' W/ 50K ON BIT 125 DH RPMS 350 GPM @ 1200 PSI;

Date: 11/24/2006

DILL 8 3/4" HOLE FROM 5626' TO 5999' SLIDE A TOTAL OF 18' W/ 15K ON BIT 125 DH RPMS, TOOL FACE OF 210 AZIMUTH, 350 GPMS @ 1200 PSI ROTATE A TOTAL OF 355' W/ 50K ON BIT 125 DH RPMS 350 GPM @ 1200 PSI

TOOH LD MOTOR AND OLD BIT

PU NEW 8 3/4" BIT AND 6 1/4" MOTOR

Date: 11/25/2006

TIH W/ MOTOR AND HWDP (TEST MOTOR AND MWD TESTED FINE)

JET AND CLEAN ALL PITS

FINISH TIH W/ 4 1/2" DP

WASH TO BOTTOM W/ MOTOR

ROTATE DRLG FROM 5999' TO 6031' W/ 50K ON BIT 125 DH RPMS, 350 GPM @ 1200 PSI (MWD STARTED ACTING UP, DRLILLED KELLEY DOWN TRIED 5 TIMES FOR SURVEY W/ MWD RESPONSE)

TOOH TO CHANGE OUT FAULTY MWD

WAIT ON MWD TOOLS

TIH W/ MOTOR AND MWD AND HWDP TEST MWD AND MOTOR (ALL TESTED FINE) FINISH TIH W/ 4 1/2" DP

DRILL 8 3/4" HOLE SLIDE DRILL 20' W/ 20K ON BIT 125 DH RPMS 350 GPMS @ 1200 PSI ROTATE 199' W./ 45K ON BIT 125 DH RPMS 350 GPM @ 1200 PSI

Date: 11/26/2006

DRILL 8 3/4" HOLE FROM 6218' TO 6699' W/ DIRECTIONAL TOOLS SLIDE A TOTAL OF 141' W/ 20K ON BIT 125 DH AVG TOOL FACE OF 218" 350 GPMS @ 1300 PSI/ ROTATE DRLG A TOTAL OF 340' W/ 45 K ON BIT 125 DH RPMS, 350 GPM @ 1300 PSI

Date: 11/27/2006

DRILL 8 3/4" HOLE FROM 6699' TO 7110' W/ DIRECTIONAL TOOLS SLIDE A TOTAL OF 111' W/ AVG 15 K ON BIT TOOL FACE OF 220" 125 DH RPMS, 350 GPM @ 1300 PSI : ROTATE A TOTAL OF 300' W/ 45 K ON BIT 125 DH ROMS 350 GPMS @ 1300 PSI

Date: 11/28/2006

DRLG 8 3/4" HOLE FROM 7110' TO 7495' W/ DIRECTIONAL TOOLS SLIDE A TOTAL OF 75' W/ 25K ON BIT 125 DH RPMS, TOOL FACE OF 215" 350 GPM @ 1300 PSI ROTATE DRILL 310' W/ 50 K ON BIT 125 DH RPMS, 350 GPM @ 1300 PSI

Date: 11/29/2006

DRLG 8 3/4" HOLE FROM 7495' TO 7865' W/ DIRECTIONAL TOOLS SLIDE A TOTAL OF 100" W/ 20K ON BIT 125 DH RPMS TOOL FACE OF 215" 350 GPMS @ 1300 PSI ROTATE A TOTAL OF 270' W/ 45K ON BIT 125 DH RPMS 350 GPMS @ 1300 PSI

Date: 11/30/2006

DRILL 8 3/4" HOLE FROM 7886' TO 8028' W/ 35K ON BIT 125 DH RPMS 350 GPM @ 1300 PSI

PUMP SWEEP AND CLEAN HOLE TOOH AND LD DIRECTIONAL TOOLS PU NEW BIT AND SLICK BHA AND TIH

SHUT DOWN AND WAIT ON WEATHER DUE TO HIGH WINDS AND EXCESSIVE SNOWFALL

RESUME TIH

Date: 12/01/2006

WASH & REAM 90' TO BOTTOM

DRLG 8 3/4" HOLE FROM 8028 TO 8401, W/130 TO 300 BBLS LOSSES PER HR. THIS AM LOSSES ARE 145 BPH.

Date: 12/02/2006

DRLG 8 3/4" HOLE 8401 TO TD 8600 @ 16:15 CST 12/1/2006 W/130 BPH LOSSES

CIRC SWEEP, CIRC FOR LOGGERS, THEIR ARRIVAL TIME TO BE ON LOC @ 7 AM, LOSSES WHILE CIRC 100 TO 300 BPH, 130 BPH THIS AM, SPOT 80 VIS 80 BBL PILL ON BOTTOM

TOH SLM FOR LOGS

Date: 12/03/2006

RU BAKER ATLAS LOGGER TD 8600', LOG, RD LOGGER

TIH

CIRC & SPOT 80 Bbis 80 VIS ON BOTTOM RU BULL ROGERS LD MACHINE, TOH LD DP

Date: 12/04/2006

TOH LD DP

RU BULL ROGERS CSG CREW HELD SAFETY MEETING & RN 7" 26# J-55 L-80 LT&C CSG & SET @ 8600' W/ DV TOOL @ 5968', ECP @ 5987'

RD BULL ROGERS & RU HOWCO

CIRC & WASH CSG TO TD 8600'

RU HES, CEMENT FIRST STAGE W/ 100 SKS ACID SOLUBLE CEMENT @ 15 PPG, 2.55 FT3/SK FIRST LEAD, 275 SKS CLASS "H" @ 15.2 PPG, 1.25 FT3/SK AND 150 SKS SUPER "H" @ 13 PPG, 1.67 FT3/SK, DISPLACE W/ 304 BBLS FRESH H20. LAND PLUG AND INFLATE ECP PACKER SET AT 2300 PSI (GOOD INFLATION) RELEASE PSI FLOATS HELD

OPEN DV TOOL AND CIRCULATE, 100SX CEMENT CIRCULATED OFF DV TOOL WOC FOR 2ND STAGE

CEMENT 2ND STAGE W/ 550 SX INTERFILL "C" LEAD @ 11.5 PPG , 2.77 FTS/SK AND 100SX CLASS "C" @ 14.8 PPG , 1.34 FT3/SK DISPLACE W/ 201 BBLS FRESH H20 LAND PLUG AND CLOSE DV TOOL. RELEASE PSI DV TOOL CLOSED

ND BOP

Date: 12/05/2006

ND BOP

JET & CLEAN PIT WHILE WAIT ON TEMP SURVEY TRUCK

RU PRO WIRE LINE & RUN TEMP SURVEY, TOC @ 700', CALL BLM TALKED TO FRED WRIGHT HE OK'D CMT JOB TO HAVE COVERED CAPITAN REEF @ 848'.

SET SLIPS, CUT OFF, INSTALL WELL HEAD & TEST, SET BOP OUT.

RIG RELEASE @ 1600 12/04/2006, RIG DOWN

Date: 12/06/2006

RIG DOWN, WAIT ON TRUCKS