(August 1999)

Form 3160-5

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

CUDARTESIA

FORM APPROVED OMB NO. 1004-0135 Expires: November 30, 2000

5. Lease Serial No.

NMNM 0545035

SUNDRY NOTICES AND REPORTS ON WELLS not use this form for proposals to drill or to re-enter.

| Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. | | 6. If Indian, Allottee or Tribe Name |
|---|--|---|
| SUBMIT IN TRIPLICATE - | Other instructions on reverse side EIVED | 7. If Unit or CA/Agreement, Name and/or N |
| Type of Well Oil Well | DEC 2 8 2009 NMOCD ARTESIA | 8. Well Name and No. Federal 29 #5 |
| 3a. Address P.O. Box 50250 Midland, TX 7971 4. Location of Well (Footage, Sec., T. R. M., or Survey) | 3b. Phone No. (include area code) 432-685-5717 Description) EWW(C) Sec 29 T235 R31E | 9. API Well No. 30-015-3733 10. Field and Pool, or Exploratory Area Sand Vunes Dekure, W. 11. County or Parish, State Eddy WM |
| 12. CHECK APPROPRIATE | BOX(ES) TO INDICATE NATURE OF NOTICE, RE | PORT, OR OTHER DATA |
| TYPE OF SUBMISSION | TYPE OF ACTIO | N |
| Notice of Intent X Subsequent Report Final Abandonment Notice | Alter Casing Fracture Treat Reclams Casing Repair New Construction Recomp | olete X Other Spud, Set arily Abandon Csg & Cmt |
| Attach the Bond under which the work will be per following completion of the involved operations. It testing has been completed. Final Abandonment It determined that the final site is ready for final inspection. Spud 11/26/09 Drill 14 3/4" hole to 425 Cement w/ 350 sx from Plus Drill 105/8" hole to 4023 Cement w/ 93056 HES Light | RIH W/ 113/4" 42# H40 csg 8 , circ 191 sk (46661) cut to . RIH W/ 85/8" 32# J55 csg 8 t followed by 200 sx Prem. Pl | I subsequent reports shall be filed within 30 days a new interval, a Form 3160-4 shall be filed once ation, have been completed, and the operator has set @ |
| (1306bl) cmt to surface Drill 77/3" hole to 6605' RIH W/ 51/2" 17# J55 Cement W/ 12 5405x Versacm econocunt, Cinc 331s cinc 765x (276bl) cmt Rig Release 12/10/09 | M. 7993'V csg & set @ 8605' W/ DVT@ 5914', T, Cinc 1915x (55 bbl) cmt to 50 | POST 4104' whace ; 200 600 5x R w 430 5x Halcon, |
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) David Stewart | Title Sr. Regulatory | PTRO RUKINUBE Analyst |
| Ju Stat | Date 12(14/09) | AFIC 22 2009 |
| THIS | S SPACE FOR FEDERAL OR STATE OFFICE USE | Myles Kristof |
| Approved by | Title | THE WEST OFFICE |
| Conditions of approval, if any, are attached. Approval c certify that the applicant holds legal or equitable title to which would entitle the applicant to conduct operations the | those rights in the subject lease | DATE |

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, 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.

SPUD @ 0100HRS 11/26/09, DRILL 14-3/4" SURFACE HOLE TO 425' 11/26/09.

RUN 11-3/4", CASING 42#, H-40, STC, R-3, FROM SURFACE TO 425'.

01 GUIDE SHOE -BTC(WEATHERFORD TIGER TOOTH) AT 425'.

01 SHOE JOINT WITH STOP RING 10' UP FROM FLOAT SHOE.

01 FLOAT COLLAR (WEATHERFORD) AT 380'.

09 CASING JOINT S CASING TO SURFACE W/7 BOW SPRINGS CENTRALIZERS.

PUMP CEMENT AS FOLLOW: 20 BBLS OF GEL SPACER AT 3, BPM. LEAD CEMENT PREMIUM PLUS 350 SACKS (84.15 BBL), 14,8 PPG, 1,35 YIELD, MIX WATER 6,39 GAL/SK, AT 5.5 BPM 250 PSI.WASH UP ON TOP OF PLUG AND DISPLACEMENT WITH 46 BBL, FRESH WATER AT 3 BPM. 125 SKS TO SURFACE.BUMP THE PLUG TO 680 PSI (500 OVER), AT 17:00 HRS. HELD FOR 5 MINUTES BLED BACK 0,5 BBL FLOAT FAILED (NOT HOLDING.) RELEASED PRESSURE AND GOT BACK 5 BBL AND WELL FEPT FLOWINGBACK. CIRCULATE OUT 46 BBL CEMENT TO SURFACE (191 SXS OF CEMENT).

NU BOPE, INSTALL DSA SPOOL, INSTALL BLIND AND PIPE RAM;S, INSTALLED HY-DRILL.

PRESSURE TEST BOPE

TEST PRESSURE 250 PSI LOW, 1,386 PSI HIGH HELD 10 MIN EACH TEST.

TEST # 1 HCR CMV 4,5,6 & 7. (PASSED)

TEST # 2 POWER CHOKE AND MANUAL CHOKE. (PASSED)

TEST #3 CMV 1 & 2 (PASSED)

TEST # 4 4" ON MP'S (PASSED)

TEST # 5 TEST IBOP ON TOP DRIVE (PASSED)

TEST # 6 TIW VALVE (PASSED)

TEST # 7 INSIDE GREY (PASSED)

TEST # 8 ANNULAR, INSIDE KILL LINE, INSIDE MANUAL HCR SIDE (PASSED)

TEST # 9 OUTSIDE KILL LINE VALVE (PASSED)

DRILL OUT FLOAT & SHOE CONT DRILLING 10 FT NEW FORMATION TO 435'.

PERFORM FIT TEST BASED ON 13 PPG MW W/ 9.9 HVY PPG, PRESSURE TO 100 PSI AND HELD FOR 10 MINUTES (TEST

2200 HRS 11/27/09, DRILL 10-5/8" INTERMEDIATE HOLE TO 4023' 11/29/09.

RUN 8 5/8" INTERMEDIATE CASING J55, 32# LTC FROM SURFACE TO 4023'

FLOAT SHOE - WEATHERFORD MODEL 303A (THREAD LOCKED)

2 JOINT 8 5/8" 32# J-55 LTC CASING

FLOAT COLLAR - WEATHERFORD MODEL 402A PDC DRILLABLE (THREAD LOCKED)

CASING FROM SURFACE TO 4023' W/ 28 SEMI-RIGID BOW CENTRALIZERS

PUMP CEMENT AS FOLLOWS;

LEAD WITH 930 SKS HALLIBURTON LIGHT PREMIUM PLUS FLUID WEIGHT 12.90 LBM/GAL 5 % SALT (SALT) SLURRY YIELD: 1.88 FT3/SK 5 LBM/SK GILSONITE (LCM ADDITIVE) TOTAL MIXING FLUID: 9.57 GAL/SK 0.125 LBM/SK POLY-E-FLAKE (LCM ADDITIVE). TAIL-IN WITH 200 SKS PREMIUM PLUS CEMENT FLUID WEIGHT 14.80 LBM/GAL 94 LBM/SK PREMIUM PLUS CEMENT (CEMENT) SLURRY YIELD: 1.34 FT3/SK 1 % WELLLIFE 734 (CEMENT ENHANCER) TOTAL MIXING FLUID: 6.38 GAL/SK CIRCULATED 130 BBLS (394 SKS) OF CEMENT TO SURFACE. BUMPED PLUG @ 16:00 HRS

NSTALL 2' SPOOL SET BOP'S DOWN AND TORQUE ALL CONECTION. PJSM WITH TESTER PICK UP TEST PLUG AND SET IN WELL HEAD WITH ONE JOINT BELOW THE PLUG. TEST BOP'S WITH 250 PSI LOW AND 5000 PSI HIGH TEST ANNULAR 250 LOW 3100 HIGH ALL PASSED

TAG TOP OF CMT @ 3882' DRILL F/3882' T/4023 @ SHOE PLUS 10' NEW FORMATION TO 4033'. FIT TEST (TEST FORMATION TO 410 PSI WITH A EMW OF 10.4)

1930 HRS 11/30/09, DRILL 7-7/8" PRODUCTION HOLE TO 8,605' MD, 7993' VD 12/5/09.

OG WELL WITH CNL / GR / HRLA / LITHODENSITY TOOLS FROM 8605 TO INTERMEDIATE CASING SHOE AT 4023'.

LOG INTERMEDIATE CASING SHOE TO SURFACE WITH CNL - GR AT A RATE OF 3600 FPH.

RUN 5 1/2", 17# J-55 LTC CASING AS FOLLOWS:

CASING STRING ON BOTTOM AS FOLLOWS.

01 FLOAT SHOE (WEATHERFORD MODEL 303A); 8603.67' - 8605.00'.

02 SHOE JOINTS.

01 FLOAT COLLAR (WEATHERFORD MODEL 402A); 8603.67' - 8605.00'.

70 CASING JOINTS.

01 DV STAGE TOOL (MODEL 754, HYDRAULIC); 5914.25' - 5916.42'.

48 CASING JOINTS.

01 MODEL 781 PACK OFF STAGE TOOL (POST); 4104.49' - 4119.79'.

109 CASING JOINTS TO SURFACE.

INSTALL 131 BOW SPRING CENTRALIZER (121 ON EVERY JOINT ON OPEN HOLE AND 10 EVERY 500 FT ON CASED HOLE).

CEMENT 1ST STAGE: 10 BBL FRESH WATER SPACER + 20 BBL WG-19 + 540 SKS (156 BBL) CEMENT VERSACEM, 13.2 PPG, DROPPED PLUG AT 10:50 HRS. DISPLACED WITH 198 BBLS 8.4 PPG FRESH, SLOWDOWN TO 3 BPM LAST 10 BBL. BUMPED NOTE: HAVE FULL RETURNS AT ALL TIMES, NO LOSES.

ATTEMPTED TO OPEN HYDRAULIC DV TOOL PRESSURE UP TO 4200 PSI 9 ATTEMPTS, NO SUCCESS. DROPPED MANUAL OPENING TOOL AT 12:50, TOOL OPENED AT 13:20, CIRCULATE 20 BBL FRESH WATER AT AT 5 BPM AT 513 PSI.

CIRCULATE MUD WITH RIG PUMPS , 330 GPM AND 300 PSI SPM. CIRCULATE 55 BBL CEMENT (OR 191 SKS) CEMENT TO SURFACE.

CEMENT 2ND STAGE: 600 SKS (172 BBL) CEMENT ECONOCEM (TM), 13.2 PPG, 1.61 YIELD, 7.84 GAL/SK, AT 6 BPM. DISPLACED WITH 137 BBLS 10.0 PPG BRINE, SLOWDOWN TO 3 BPM LAST 10 BBL. BUMPED PLUG AT 17:10 HRS, 2464 PSI NOTE: HAVE FULL RETURNS AT ALL TIMES, NO LOSES.

INFLATE PACKER AND OPEN STAGE TOOL WITH 616 PSI. CIRCULATE WITH RIG PUMPS AT 328 GMP AND 300 PSI. CIRCULATE OUT 95 BBL CEMENT (331 SX).

PUMP 430 SKS (152 BBL) HALCEM (TM)(452986), 12.4 PPG, 1.98 YIELD, 11.0 GAL/SK, AT 8 BPM + 100 SKS (24 BBL) HALCEM DISPLACE WITH 95 BBL FRESH WATER. BUMPED PLUG AT 20:10 HRS 12/09/2009 AT 2590 PSI (500 PSI OVER). CIRCULATE 27 BBLS CEMENT (76 SKS) TO SURFACE. HELD 5 MIN., FLOATS HOLDING. RELEASE RIG AT 06:00 HRS ON 12/10/2009.