UNITED STATES N.M. Oil Cons. Div on DEPARTMENT OF THE INTEREST IST BUREAU OF LAND MANAGEMENT, NM 80210-2834 5. Lease Designation and Serial No SUNDRY NOTICES AND REPORTS ON WELLS LC-060529 Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. 6. If Indian, Aliottee or Tribe Name Use "APPLICATION FOR PERMIT -- for such proposals 22324 SUBMIT IN TRIPLICATE 7. If Unit or CA, Agreement Designation 1. Type of Well X Oil Well Gas Well 2. Name of Operator 8. Well Name and No. S Shahara Oil, LLC Beeson "F" Federal No. 7 3. Address and Telephone No 9. Well API No 207 W. McKay, Carlsbad, NM 88220 30-015-04418 505-885-5433 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Loco Hills QN-GB-SA 11. County or Parish, State 990' FNL & 330' FEL, Unit A Section 31-T17S-R30E Eddy County, New Mexico CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Ion-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection Other Dispose Water 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this zone.)\* 04/00 Drilled fill & circulated clean from 3058' to 3087'. RIH w/7" 20# tension pkr to 2270' & tested to 350psi - held good. Acidized w/2500 gal 15% NEFE acid 2826 to 46' (perfs) & 2992' 3090' (open hole). RIH w/7" 20# AD-1 tension pkr & 73jts 2 3/8" new coated (TK-70) tbg & circulated pkr fluid. Set pkr @ 2241'. (Queen perfs 2301'-2308') Tested 7" csg to 360psi for 30min - held good. 04/21/00 Initiated injection under OCD order No.'s R-11027 & R-11027-A @ 200 BWPD @ 300psi. BUREAU OF LAND MANAGEMEN 14. I hereby certify Agent Date 05/15/00 Thallia Marshall (THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved By Conditions of approval, if any: Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictibous or fraudulent statements or representations as

as to any matter within its jurisdiction