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Form 3160-5  
(June 1990)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division  
811 S. 1st Street  
Artesia, NM 88210-2834

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

5. Lease Designation and Serial No.  
NM 0558580

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Atalaya Federal #3

9. API Well No.

30 - 015 - 31063

10. Field and Pool, or Exploratory Area

Grayburg Jackson

11. County or Parish, State

Eddy Co., NM

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT-" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well

Oil Well  Gas Well  Other

2. Name of Operator

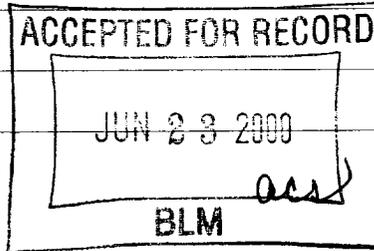
Nadel and Gussman Permian

3. Address and Telephone No.

601 N Marienfeld, Suite 508, Midland, Texas 79701

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1175' FSL, 430' FWL  
Unit M, Sec 35, T17S, R30E



12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

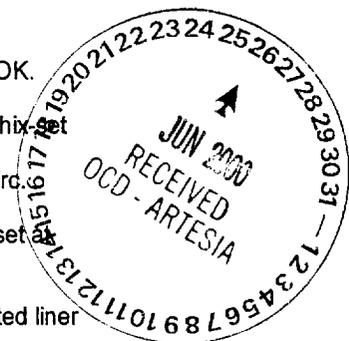
TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other Spud and surface casing
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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 work.)\*

1. MIRU Capstar Rig #5. Notified BLM of spudding. Spud 12-1/4" hole at 3:00 PM on 6-5-00. Drilled to 420', set 8-5/8", 24#, J-55 at 420'.
2. Cemented with 220 sx "C" w/ bentonite, CaCl and celloflake. Plug down at 10:30 PM. DNC.
3. Ran 1" pipe to 100', pumped 150 sx "C" and circulated 10 sx to the surface.
4. WOC 18 hours. Drilled cement, float equipment and 10' new hole. Tested casing seat to 10.4 PPG E.M.W. - OK. Resumed drilling and lost circulation at 435'.
5. Dry drilled to 466'. TOH. TIH open ended and pumped 20 bbls heavy gel and cedar fiber followed by 200 sx Thix-set "H". WOC and pumped 200 sx Thix-set "H".
6. Loaded hole and went on vacuum. POH. Dumped 9 yards of 6 sx grout and pea gravel. Drilled out and lost circ. Dumped 7 yards grout, drilled out, then 6 yards grout. Drilled out and still had no circulation.
7. Cleaned out cement to 466' and dry drilled to 600'. Notified BLM of running liner. Ran 7", 24#, K-55 liner and set to 600'.
8. Cemented liner with 55 sx "C" w/ 2% CaCl and displaced to the float. Set cement baskets at 400' and 380'.
9. Cut off 8-5/8" casing, orange-peeled it and welded it to the 7" liner. Welded 2" nipple to 8-5/8" casing. Cemented liner top with 30 sx Thix-set. WOC.
10. Drilled out cement and float equipment, tested and repaired blind and pipe rams - OK. Resumed drilling 6-1/8" hole.



14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title R. McNaughton -Operations Engineer Date 6-15-00

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, 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.

\*See Instruction on Reverse Side

RECEIVED  
GENERAL INVESTIGATIVE  
DIVISION  
JUN 22 10 29 AM '00