

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1983

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

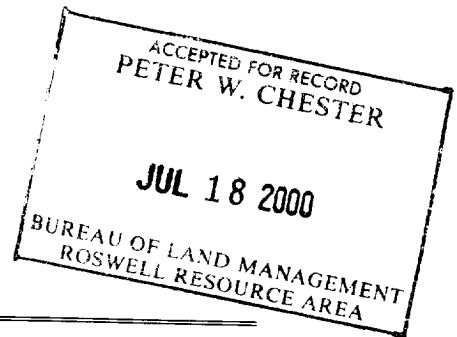
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM - 028936
2. Name of Operator Shahara Oil, LLC	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 207 W. McKay Carlsbad, NM 88220 505-885-5433	7. If Unit or CA, Agreement Designation Grayburg Jackson PSU
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FSL & 1330' FEL, Unit O Section 28, T17S, R30E	8. Well Name and No. ME No. 3
	9. Well API No. 30-015-31157
	10. Field and Pool, or Exploratory Area Grayburg Jackson 7Rivers -QN-GB-SA
	11. County or Parish, State Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input checked="" type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other- Spud
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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 zone.)

06/22/00 Spud @ 10:30pm
06/24/00 Drilled to 517'. Ran & cemented 8 5/8" 24# new csg. @ 514' w/585 sx - circ. cement.
06/29/00 Drilled and surveyed to 3650'. Ran and cemented 5 1/2" 15.5 # new csg. @ 3650' w/1075 sx - circ. cement.



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

Signed Perry L. Hughes Title E.O. Date 07/07/00

(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 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