

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

St. Mary Land & Exploration - c/o Nance Petroleum Corp.

3a. Address

PO Box 7168
Billings, MT 59103-7168

3b. Phone No. (include area code)

406.245.6248

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

430' FSL & 1650' FEL

Sec. 13-T18S-R31E

UL:0

5. Lease Serial No.

NM - 2537

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

East Shugart Delaware Unit
25743

8. Well Name and No.

ESDU #1

9. API Well No.

30-015-25741

10. Field and Pool, or Exploratory Area

Shugart Delaware East

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletes horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

With the approval of the East Shugart Delaware Unit in early 2000, the South Taylor 13 Federal #3 was brought into the Unit as ESDU #1. It has been shut-in since 1994, following multiple competitions in the Delaware and Seven Rivers, Queen, Grayburg, San Andres pools. To comply with NMOCD rules, we propose to temporarily abandon the well by:

- 1) Set CIBP @ 3750' (current perfs 3790-94')
- 2) Circulate wellbore with inhibited fluid
- 3) Pressure test casing to 500 psi for 30 minutes

A pilot waterflood is in progress in the Unit. A full-scale expansion of the flood would entail cleaning out this well to the Delaware, running a 4" FJ liner and converting to a water injector.

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

Name (Printed/Typed)

Herb Thackeray

Title

Operations Engineer

Signature

Date

2/21/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ODIC SGD) JOE G. LARA

Title

Petroleum Engineer

Date

3/28/2002

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFO

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

Accepted for record - NMOCD