

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOil Cons.
N.M. V-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88212FORM APPROVED
BLM No. 1004-0135
Expires November 30, 2000SUNDRY 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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-2537
2. Name of Operator St. Mary Land & Exploration Co. - c/o Nance Petroleum Corp.		6. If Indian, Allottee or Tribe Name
3a. Address PO Box 7168, Billings, MT 59103	3b. Phone No. (include area code) 406.245.6248	7. If Unit or CA/Agreement, Name and/or No. East Shugart Delaware Unit 25743
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 430' FSL & 1650' FEL Sec. 13-T18S-R31E UL:0		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 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 checked="" 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 recompleat 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.)

3/15/02 MI. RU. Unseat pump and POOH laying down rods. NU BOP. Release TAC and POOH with tubing. PU CIBP and RIH on tbgr. Set CIBP @ 3750'. Circulate 75 bbls. packer fluid. Close BOP and pressure test to 500 # for 30 minutes - ok. Start OOH laying down tubing.

3/18/02 Finish laying down 2-3/8" tubing. ND BOP. Flange up wellhead. Fill well with 10 bbls. packer fluid. RD.

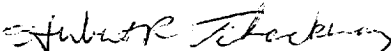
When the ESDU waterflood is expanded to fullscale, ESDU #1 is proposed to be cleaned out to 5400', equipped with a 4" line and converted to a Delaware water injection well.

Approved For 12 Month PeriodEnding 3/15/200314. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Herb Thackeray

Title Operations Engineer

Signature



Date 3/18/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD) JOE R. LARA

Title

Date

4/30/02

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

ESDU #1
3-1502
Jacks Hemo
500 PSF 30 min

Circ 75 Bels
Parker fluid
OK Hot oil

12 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
MAY 2002
RECEIVED
OCD - ARTESIA