

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

FORM 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM0354232
2. Name of Operator KCS Medallion Resources, Inc. ✓		6. If Indian, Allottee or Tribe Name
3a. Address 7130 South Lewis, Ste. 700 Tulsa, OK 74136-5489	3b. Phone No. (Include area code) (918) 491-4137	7. If Unit or CA/Agreement, Name and
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 860' FSL, 1204' FEL Sec 28, T21S, R27E		8. Well Name and No. Esparanza 28 #1
		9. API Well No. 30-015-30847
		10. Field and Pool, or Exploratory Area Burton Flat Morrow
		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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Perf's/Treatments
	<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 there. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zone. 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 da 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 on determined that the final site is ready for final inspection.)

2/23/00 - RIH w/ 3-3/8" expendable csg gun loaded 6-SPF, 60 deg phased, w/26 gram charges, .47" hole, 21.53 penetration. Perf Morrow underbalanced @ 11,388'-90'. Total of 12 holes.
2/24/00 - RU acid pump truck, test lines to 6000 psi, load 2-3/8" tbg w/40kcl wtr, press up & broke down formation @ 4100 psi, inc rate to 2bpm - 4900 psi & pump 20 bbls 40kcl wtr. ISIP 4000 psi, 5 min 3576 psi, 10 min 3434 psi, 15 min 3319 psi.
2/25/00 - Set CIBP @ 11,378', dump 10' cmt on top of CIBP. TOC 11,368'.
2/27/00 - RIH w/3-3/8" expendable csg gun loaded 2/22 gram charges (0.47" EH & 33.9" TPP)@6-SPF(72 holes, 60 deg phasing). Perf Morrow balances / underbalanced from 11,290'-11,302'.
2/29/00 - Break dn formation w/1000 gal 7-1/2% HCL w/methanol base, 1 gal/1000 surfactant, iron control, clay control, & 1,000 scf/bbl on N2. Drop 115 - 1.3 ball sealers, dropped 10 at a time. Avg treating press 6000 psi @ 4.2bpm w/ little ball action. Flush w/N2 @ 3bpm. ISIP 5900 psi, 5 min, 5138 psi, 10 min 4751 psi, 15 min 4325 psi.
4/06/00 - Frac the Morrow perf 11,290'-11,302' w/40# binary sand. pump 95bbl pad. 119 bbls gel w/ 1/4-1/2-1 1/2 #20-40 sand. Flush w/18bbls, 10bbl/min @ 10,150psi. Min psi 9860 max psi 10,550 Avg 10,150 psi. Pumped 10K sand into formation.
4/10/00 - Well SI. 8/07/00 - Waiting on partners decision to P&A or take over.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Kaye Alley	Title Production Technician
	Date 8/07/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	
Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, 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.		