

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

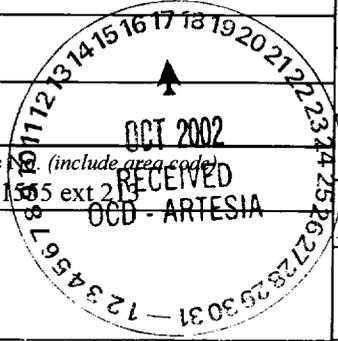
FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

CSF

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. NM3606
2. Name of Operator Carbon Energy Corp.(USA)		6. If Indian, Allottee or Tribe Name
3a. Address 1700 Broadway, Suite 1150, Denver, CO	3b. Phone No. (include area code) 303 863-1585 ext 215	7. If Unit or CA/Agreement, Name and/or No. NMNM101369 Lake Shore
4. Location of Well (Footage, Sec., T, R., M., or Survey Description) 1310' FNL, 1160' FWL Sec 10, T21S R26E NMPM Unit D		8. Well Name and No. Lake Shore Fed 10 #4
		9. API Well No. 300153156900
		10. Field and Pool, or Exploratory Area Avalon Strawn
		11. County or Parish, State Eddy, NM

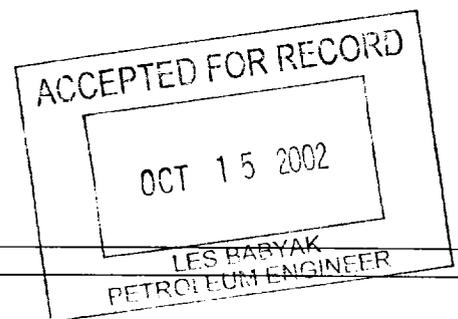


12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" 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 checked="" 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 <u>Add Perfs</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input 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 recomplate 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.)

6/15/01 Carbon Energy added perforations to the Strawn interval as follows:
Perfs 9663-9667' & 9707-9713' with 3 spf for a total of 36 0.34" holes.
Acidize perfs w/ 750 gal 15% HCL.
Frac zone with 17,495 gal 40# linear gel, 26,160# 20:40 sand & 614,700 scf N2.



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

Name (Printed/Typed) R. A. Schwering, P. E.	Title Operations Engineer
Signature <i>R. A. Schwering</i>	Date 10/7/02

Accepted for File - NMOCL

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	