

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000
5. Lease Serial No.

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

Prize Operating Company

3a. Address

3500 William D. Tate, #200 Grapevine, Texas 76051

3b. Phone No. (include area code)

817-424-0454

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

Unit N 660' FSL & 1980' FWL Sec. 24 T-26-S R-26-E

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

NM061P3585C535

8. Well Name and No.

Federal RR Com

#1

9. API Well No.

30-015-21051

10. Field and Pool, or Exploratory Area

Eddy Undesignated Wolfcamp Gas

11. County or Parish, State

Eddy NM

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

TYPE OF SUBMISSION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Test Shut-In

Well.

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 recompleat 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 final site is ready for final inspection.)

Please find attached the test results for this well during the testing period approved by the BLM to determine the economical status of this well. As noted by the attached test results, we have a stabilized rate of 35 to 45 MCFPD. We are currently contacting gas pipeline companies to determine if they would tie-in to this well for purchase. Prize Operating respectfully requests a 60 to 90 day timeframe to get a gas purchase contract with a pipeline company. If this is not feasible, then Prize will submit a Sundry intent to Plug and Abandon the well. We are using the production from the Federal 'LL' #1 with this well in preparing a package deal with a pipeline.

Approved For 3 Month Period

Ending 12/27/2000

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Don Aldridge

Title

Regulatory Analyst

Date

9-1-2000

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGT.) JOE G. LARA

Title

Petroleum Engineer

Date

9/27/2000

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

C.F.O.

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

DAILY OPERATIONS REPORT

FEDERAL RR #1

PROD. CSG 7" 26# ?

Cisco Perfs 9,923 - 9,954

PBTD 10,122

Eddy,NM

8/9/00 FIRST REPORT: TEST WELL

MIRU Jarrel services. TIH w/ sinker bar. Tagged up @ 10,122'.

TIH w/ pressure guages and recorded bhp as follows.

Depth	Pressure	Delta	Gradient
Surface	2,284		
2,000	2,489	205	0.1025
4,000	2,732	243	0.1215
6,000	2,979	247	0.1235
8,000	3,227	248	0.124
9,000	3,354	127	0.127
9,939	3,533	179	0.1906

8/16/00 TEST WELL

MIRU test separator. Tbg. Press 2350. Started flowing back

Pressure decreased to 80 psi in 5 hrs. Test as follows.

Date	Tbg. PX	Choke	Gas Rate	Oil	Water
8/17/00	50#	48/64	50mcf	4.64	0
DROPPED 2 SOAP STICKS IN MORNING					
8/18/00	50#	48/64	47mcf	0	0
8/19/00	50#	48/64	47mcf	0	0
8/19/00	50#	48/64	47mcf	0	0
8/20/00	50#	48/64	47mcf	0	0
8/21/00	50#	48/64	36mcf	0	0
SHUT WELL IN					