

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil Conservation Division  
311 S. 1st Street  
Artesia, NM 88210-2834

clst

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
 Enerstar Resources, L.C.

3. Address and Telephone No.  
 P.O. Box 606, Carlsbad, NM 88221 (505)885-8302

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 Sec 14, T-26S R-29E  
 1980 FSL & 660 FEL

5. Lease Designation and Serial No.  
 NM11038

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
 Gulf Beauty #3

9. API Well No.  
 30015037360051

10. Field and Pool, or Exploratory Area  
 Brushy Draw (Delaware)

11. County or Parish, State

12. CHECK APPROPRIATE BOX(S) 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"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Commingle Production of oil & gas into common battery with additional wells on lease.

Gulf Federal                      API #3001503732                      Lease # LC061497  
 Gulf Federal 4B                      API #3001503734                      Lease # LC061497  
 Gulf Federal 5B                      API #3001503733                      Lease # LC061497

These wells are stripper wells and gas from these leases is used to fuel engines on each lease, along with the disposal engine. The addition of this well to the battery will help maintain gas supply to all engines. We will also improve both batteries, as the current battery will be taken by the new Enwest Diverse Federal #1, 900' FSL & 660' FEL, Sec 14, T-26S R29E. The allocation of production from the Beauty #3 will be allocated to that lease based on monthly isolation production test from this well. The Beauty #3 will be connected to the Gulf Federal Battery through existing lines to this battery.

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

Signed [Signature] Title President Date 3-7-2000

(This space for Federal or State office use)

Approved by JOHN SGOULES BARYAK Title PETROLEUM ENGINEER Date MAR 10 2000

Conditions of approval, if any:

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.