

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED

1. Type of Well 070 FARMINGTON NM

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Westerly Exploration c/o Walsh Engineering

3a. Address

7415 E. Main, Farmington, NM, 87402

3b. Phone No. (include area code)

505-327-4892

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

405' FSL and 1255' FWL Section 34, T23N, R1W

5. Lease Serial No.

NMNM 101057

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Romero Federal 34 #1

9. API Well No.

10. Field and Pool, or Exploratory Area

Wildcat Mancos

11. County or Parish, State

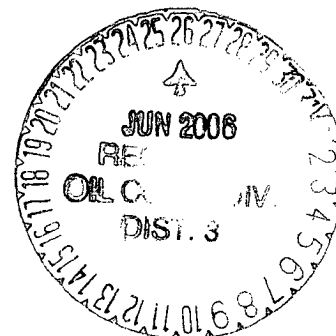
Sandoval County, NM

12. CHECK APPROPRIATE BOX(ES) 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"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input 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 checked="" 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 Operations (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 site is ready for final inspection.)

Westerly Expolration proposes to change the casing and cementing program for this well. The changes are described on the attached operations plan. All other aspects of the APD package will remain the same.



14. Thereby certify that the foregoing is true and correct

Name (Printed/Typed)

Paul C. Thompson, P.E.

Title

Agent

Signature

Paul C. Thompson

Date

June 22, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JUN 23 2006

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, make 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.

NMOC

**WESTERELY EXPLORATION
OPERATIONS PLAN
ROMERO FEDERAL 34 #1**

I. Location: 405' FSL & 1255' FWL
Sec 34 T23N R1W
San Juan County, NM

Date: Revised 6/22/06

Field: Wildcat Mancos
Surface: Fee
Minerals: Federal NMNM101057

Elev: GL 7703'

II. Geology: Surface formation _ Nacimiento

<u>A. Formation Tops</u>	<u>Depths</u>
Ojo Alamo	2600'
Pictured Cliffs	3000'
Cliff House	4700'
Point Lookout	5240'
Gallup	6400'
Total Depth	7500'

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas - 3000', 4700', 5240', and 6400'.

B. Logging Program: FDC/CNL/GR/SP and DIL logs at TD.

C. No over pressured zones are anticipated. No H₂S zones will be penetrated in this well. Max. BHP = 3000 psig.

III. Drilling

A. Contractor:

B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The intermediate hole will be drilled with a fresh water polymer mud. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 8.5 ppg.

The production hole will be drilled with air or air/mist.

C. Minimum Blowout Control Specifications:

Double ram type 2000 psi working pressure BOP with a rotating head. See the attached Exhibit #1 for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1500 psi.

The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
13-3/8"	250'	10-3/4"	40.5# J-55
9-7/8"	5500'	8-5/8"	24# J-55
6-3/4"	6800'	5-1/2"	15.5# J-55
6-3/4"	7500 - 6800'	5-1/2"	17.0# J-55

B. Float Equipment:

a) Surface Casing: Notched collar on bottom and 3 centralizers on the bottom 3 joints.

b) Intermediate Casing: 8-5/8" cement guide shoe and self fill insert float collar. Place float one joint above shoe. Place stage collar at approximately 3200'. Run five centralizers spaced every other joint above the float collar, one turbolizer below the stage collar and five turbolizers every fourth joint above the stage collar.

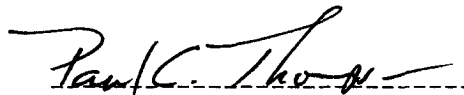
c) Production Casing: 5-1/2" whirler type cement nosed guide shoe and a float collar on top of the bottom joint.

V. Cementing:

Surface casing: 10-3/4" - Use 170 sx (204 cu. ft.) of Cl "B" with ¼ #/sk celloflake and 3% CaCl₂ (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 1500 psi for 30 min.

Intermediate Casing: 8-5/8" - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 20 bbls of fresh water. **Stage 1: Lead** with 240 sx (420 cu.ft) of Cl "B" Halliburton Lite with 2% CaCl₂, ¼#/sk celloflake. (Yield = 1.75 cu.ft./sk; slurry weight = 12.75 PPG). **Tail** with 100 sx (118 cu.ft.) of Cl "B" with 2% CaCl₂, ¼#/sk celloflake. (Yield = 1.18 cu. ft/sk; slurry weight = 14.5 PPG). Total cement volume is 962 cu.ft. Displace the cement with water to the stage collar and the rest with mud. Open the stage collar and circulate the well for four hours. Precede cement with 20 bbls of fresh water. **Stage 2: Lead** with 340 sx (595 cu.ft) of Cl "B" Halliburton Lite with 5 #/sk gilsonite, 2% CaCl₂, ¼#/sk celloflake. (Yield = 1.75 cu.ft./sk; slurry weight = 12.75 PPG). **Tail** with 100 sx (118 cu.ft.) of Cl "B" with 2% CaCl₂, ¼#/sk celloflake. (Yield = 1.18 cu. ft/sk; slurry weight = 14.5 PPG). Total cement volume is 1251 cu.ft. (80% excess to circulate cement to surface). WOC for 12 hrs. Pressure test the BOP and casing to 1500 psi.

Production Casing: 5-1/2" - Blow hole clean. Precede cement with 20 bbls of gel water and 10 bbls of water. Cement with 340 sx (537 cu.ft.) of Cl "B" 50:50 poz with 1.0% Halad 9, 0.2% HR-5, ¼ #/sk celloflake, and 5 #/sk gilsonite. (Yield = 1.58 cu.ft./sk; slurry weight = 13.0 PPG). (80% excess to circulate 200' above the intermediate casing shoe).


Paul C. Thompson, P.E.