

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau 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.

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5. Lease Serial No.
NMNM -114942
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Almagre Arroyo 30 #1
2. Name of Operator U. S. Enercorp, LTD c/o Walsh Engineering		9. API Well No. 30-039-30083
3a. Address 7415 E. Main, Farmington, NM 87402	3b. Phone No. (include area code) (505) 327-4892	10. Field and Pool, or Exploratory Area West Puerto Chiquito Mancos
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2605' FSL & 2400' FWL Section 30, T24N, R1E		11. County or Parish, State Rio Arriba, 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 See Below
	<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 Operation (clearly state all pertinent details, including estimated 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.)

The blow out preventer (BOPE) that will be utilized on this well will be a double ram 2M system (see attached schematic) Once installed the BOPE, choke manifold and related surface equipment will be pressure tested to 1500 psi (per BLM specs) before drilling out surface casing plug.

In regards to the slurry design approved within the original APD, Type V cement will be utilized instead of Class "B". Volumes will reflect hole conditions, etc to ensure proper cement coverage, as per the original APD.

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

Name (Printed/Typed)
John C. Thompson

Title Agent/Engineer

Signature

Date January 17, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JAN 24 2007

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 operation thereon.

Office

Title 18 U.C.S. Section 1001 and Title 43 U.C.S. Section 1212, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOC

U.S. ENERCORP, Ltd

Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

Exhibit #1

Typical BOP setup

Location: San Juan Basin

Date: November 19, 2006

By: John Thompson (Walsh E&P)

