

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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

NOV 19 2007

2. Name of Operator U. S. ENERCORP, LTD.

Bureau of Land Management

3a. Address
P. O. BOX 17098, SAN ANTONIO, TX 782173b. Phone No. (include area code)
210 829 4888

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

SHL: 3250' FSL & 1220' FEL 3-23N-1W NMPM

5. Lease Serial No.

NMNM-108021

6. If Indian, Allottee or Tribe Name

N/A

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

N/A

8. Well Name and No.

LAGUNA COLORADO 2/3 #1

9. API Well No.

30-039-30272

10. Field and Pool, or Exploratory Area

W. PUERTO CHIQUITO MANCOS

11. County or Parish, State

RIO ARRIBA 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 checked="" 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 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 deepen directionally or 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.)

Will set 7-5/8" casing at 6,400 instead of 6,100'.

See attached cement program.

At 5,846' as of 11-16-07.

RCVD NOV 20 '07

OIL CONS. DIV.

DIST. 3

cc: BLM, Rodriguez

ACCEPTED FOR RECORD

NOV 20 2007

FARMINGTON FIELD OFFICE
BY14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

BRIAN WOOD

(PHONE 505 466-8120)

Title CONSULTANT

(FAX 505 466-9682)

Signature

Date

11/17/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Troy L. Salyers

Title

PE

Date

11/20/2007

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 operations thereon.

Office

FFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, 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.

(Instructions on page 2)

NMOCD

Job Information

Production Casing

Laguna Colorado 2-3

#1

10 3/4 Surface Casing

0 - 350 ft (MD)

Outer Diameter

10.750 in

Inner Diameter

10.192 in

Linear Weight

32.75 lbm/ft

9 7/8 Open Hole

350 - 6400 ft (MD)

Inner Diameter

9.875 in

Job Excess

75 %

7 5/8 Production Casing

0 - 6400 ft (MD)

Outer Diameter

7.625 in

Inner Diameter

6.969 in

Linear Weight

26.40 lbm/ft

Multiple Stage Cementer

4400 ft (MD)

Calculations**Production Casing****Stage 1**

Spacer:

$$\begin{aligned} 149.00 \text{ ft} * 0.2148 \text{ ft}^3/\text{ft} * 75 \% &= 56.00 \text{ ft}^3 \\ \text{Total Spacer} &= 56.15 \text{ ft}^3 \\ &= 10.00 \text{ bbl} \end{aligned}$$

Spacer:

$$\begin{aligned} 299.00 \text{ ft} * 0.2148 \text{ ft}^3/\text{ft} * 75 \% &= 112.37 \text{ ft}^3 \\ \text{Total Spacer} &= 112.29 \text{ ft}^3 \\ &= 20.00 \text{ bbl} \end{aligned}$$

Spacer:

$$\begin{aligned} 75.00 \text{ ft} * 0.2148 \text{ ft}^3/\text{ft} * 75 \% &= 28.19 \text{ ft}^3 \\ \text{Total Spacer} &= 28.07 \text{ ft}^3 \\ &= 5.00 \text{ bbl} \end{aligned}$$

Cement : (1456.00 ft fill)

$$\begin{aligned} 1456.00 \text{ ft} * 0.2148 \text{ ft}^3/\text{ft} * 75 \% &= 547.20 \text{ ft}^3 \\ \text{Total First Stage Lead Cement} &= 547.20 \text{ ft}^3 \\ &= 97.46 \text{ bbl} \\ \text{Sacks of Cement} &= 285 \text{ sks} \end{aligned}$$

Cement : (544.00 ft fill)

$$\begin{aligned} 544.00 \text{ ft} * 0.2148 \text{ ft}^3/\text{ft} * 75 \% &= 204.45 \text{ ft}^3 \\ \text{First Stage Tail Cement} &= 204.45 \text{ ft}^3 \\ &= 36.41 \text{ bbl} \end{aligned}$$

Shoe Joint Volume: (42.00 ft fill)

$$\begin{aligned} 42.00 \text{ ft} * 0.2649 \text{ ft}^3/\text{ft} &= 11.13 \text{ ft}^3 \\ &= 1.98 \text{ bbl} \\ \text{Tail plus shoe joint} &= 215.57 \text{ ft}^3 \\ &= 38.40 \text{ bbl} \\ \text{Total Tail} &= 166 \text{ sks} \end{aligned}$$

Total Pipe Capacity:

$$\begin{aligned} 6400.00 \text{ ft} * 0.2649 \text{ ft}^3/\text{ft} &= 1695.31 \text{ ft}^3 \\ &= 301.95 \text{ bbl} \end{aligned}$$

Displacement Volume to Shoe Joint:

$$\begin{aligned} \text{Capacity of Pipe - Shoe Joint} &= 301.95 \text{ bbl} - 1.98 \text{ bbl} \\ &= 299.96 \text{ bbl} \end{aligned}$$

Stage 2

Spacer:

$$\begin{aligned} \text{Total Spacer} &= 112.29 \text{ ft}^3 \\ &= 20.00 \text{ bbl} \end{aligned}$$

Spacer:

$$\begin{aligned} \text{Total Spacer} &= 28.07 \text{ ft}^3 \\ &= 5.00 \text{ bbl} \end{aligned}$$

Cement : (3882.00 ft fill)

$$350.00 \text{ ft} * 0.2495 \text{ ft}^3/\text{ft} * 0 \% = 87.31 \text{ ft}^3$$

$$3532.00 \text{ ft} * 0.2148 \text{ ft}^3/\text{ft} * 75 \% = 1327.41 \text{ ft}^3$$

$$\text{Total Second Stage Lead Cement} = 1414.72 \text{ ft}^3$$

$$= 251.97 \text{ bbl}$$

$$\text{Sacks of Cement} = 738 \text{ sks}$$

Cement : (518.00 ft fill)

$$518.00 \text{ ft} * 0.2148 \text{ ft}^3/\text{ft} * 75 \% = 194.68 \text{ ft}^3$$

$$\text{Second Stage Tail Cement} = 194.68 \text{ ft}^3$$

$$= 34.67 \text{ bbl}$$

Shoe Joint Volume: (0.00 ft fill)

$$0.00 \text{ ft} * 0.2649 \text{ ft}^3/\text{ft} = 0.00 \text{ ft}^3$$

$$= 0.00 \text{ bbl}$$

$$\text{Tail plus shoe joint} = 194.68 \text{ ft}^3$$

$$= 34.67 \text{ bbl}$$

$$\text{Total Tail} = 150 \text{ sks}$$

Total Pipe Capacity:

$$4400.00 \text{ ft} * 0.2649 \text{ ft}^3/\text{ft} = 1165.52 \text{ ft}^3$$

$$= 207.59 \text{ bbl}$$

Displacement Volume to Shoe Joint:

$$\text{Capacity of Pipe - Shoe Joint} = 207.59 \text{ bbl} - 0.00 \text{ bbl}$$

$$= 207.59 \text{ bbl}$$

Job Recommendation**Production Casing**

Fluid Instructions

Stage 1

Fluid 1: Water Based Spacer

Water

Fluid Density: 8.33 lbm/gal

Fluid Volume: 10 bbl

Fluid 2: Water Based Spacer

Gelled Water

10 lbm/bbl Bentonite (Gelling Agent)

Fluid Density: 8.40 lbm/gal

Fluid Volume: 20 bbl

Fluid 3: Water Based Spacer

Water

Fluid Density: 8.33 lbm/gal

Fluid Volume: 5 bbl

Fluid 4: First Stage Lead Cement

Halliburton Light Standard

5 lbm/sk Gilsonite (Lost Circulation Additive)

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 12.30 lbm/gal

Slurry Yield: 1.92 ft³/sk

Total Mixing Fluid: 9.77 Gal/sk

Top of Fluid: 4400 ft

Calculated Fill: 1456 ft

Volume: 97.48 bbl

Calculated Sacks: 285.35 sks

Proposed Sacks: 290 sks

Fluid 5: First Stage Tail Cement

50/50 Poz Standard

5 lbm/sk Gilsonite (Lost Circulation Additive)

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 13.50 lbm/gal

Slurry Yield: 1.30 ft³/sk

Total Mixing Fluid: 5.20 Gal/sk

Top of Fluid: 5856 ft

Calculated Fill: 544 ft

Volume: 38.38 bbl

Calculated Sacks: 166 sks

Proposed Sacks: 170 sks

Fluid 6: Water Based Spacer

Water Displacement

Fluid Density: 8.33 lbm/gal

Fluid Volume: 299.96 bbl

Multiple Stage Cementer

4400 ft (MD)

Stage 2

Fluid 1: Water Based Spacer

Gelled Water

10 lbm/bbl Bentonite (Gelling Agent)

Fluid Density: 8.40 lbm/gal

Fluid Volume: 20 bbl

Fluid 2: Water Based Spacer

Water

Fluid Density: 8.33 lbm/gal

Fluid Volume: 5 bbl

Fluid 3: Second Stage Lead Cement

Halliburton Light Standard

5 lbm/sk Gilsonite (Lost Circulation Additive)

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight	12.30 lbm/gal
Slurry Yield:	1.92 ft ³ /sk
Total Mixing Fluid:	9.77 Gal/sk
Top of Fluid:	0 ft
Calculated Fill:	3882 ft
Volume:	251.97 bbl
Calculated Sacks:	737.59 sks
Proposed Sacks:	740 sks

Fluid 4: Second Stage Tail Cement

50/50 Poz Standard

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

5 lbm/sk Gilsonite (Lost Circulation Additive)

Fluid Weight	13.50 lbm/gal
Slurry Yield:	1.30 ft ³ /sk
Total Mixing Fluid:	5.20 Gal/sk
Top of Fluid:	3882 ft
Calculated Fill:	518 ft
Volume:	34.68 bbl
Calculated Sacks:	150 sks
Proposed Sacks:	150 sks

Fluid 5: Water Based Spacer

Water Displacement

Fluid Density:	8.33 lbm/gal
Fluid Volume:	207.59 bbl

Detailed Pumping Schedule

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
Stage 1					
1	Spacer	Water	8.3		10 bbl
2	Spacer	Gelled Water	8.4		20 bbl
3	Spacer	Water	8.3		5 bbl
4	Cement	Lead Cement	12.3		290 sks
5	Cement	Tail Cement	13.5		170 sks
6	Spacer	Water Displacement	8.3		299.96 bbl
Stage 2					
1	Spacer	Gelled Water	8.4		20 bbl
2	Spacer	Water	8.3		5 bbl
3	Cement	Lead Cement	12.3		740 sks
4	Cement	Tail Cement	13.5		150 sks
5	Spacer	Water Displacement	8.3		207.59 bbl