

Attn: Mr. Jim Lovato

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM - 0498
2. Name of Operator Texakoma Oil & Gas Corporation	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. Suite 500, 5400 LBJ Fwy., Dallas, Tx 75240, (972) 701-9106	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 737' FNL & 1686' FWL, Lot C, Section 8, Township 30 North, Range 12 West	8. Well Name and No. Federal 8 - #3
	9. API Well No. 30-045-30528
	10. Field and Pool, or Exploratory Area (Gas) Flora Vista - Fruitland Sand
	11. County or Parish, State San Juan, New Mexico

2. 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 checked="" type="checkbox"/> Other Cementing Operations
	<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.)

3. 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.)*

This well was drilled to total depth at 2185' and openhole logs run on April 13, 2001. Production casing (4 1/2", 10.5 ppg, J-55, New) was run to 2158' and cemented w/a 130 SK C-Lite lead slurry and tailed in w/ 120 SKs Cls "B", 15.6 ppg, 1/18 yield. During cement displacement circulation to the surface was lost after 12 Bbls of the total 34 Bbls. This puts the top of cement at 500' from surface, estimated. A GR/CCR/Bond log will be run this A.M. 4-16-01 to verify the cement top behind the 4 1/2" casing. 7" surface casing was previously run and cemented to surface from 175'. We plan to cement down the 7" x 4 1/2" annulus w/ 1.00" O.D. tubing if possible, and cement the 4 1/2" casing to surface as planned.

4. I hereby certify that the foregoing is true and correct	
Signed <u>Tom Sprinkle</u>	Title <u>Drilling Manager</u>
Date <u>4-16-2001</u>	
(This space for Federal or State office use)	
Approved by _____	Title _____
Conditions of approval, if any:	Date _____

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:

MAY - 3

NM-0498
3162.3-1(07100)

Texahoma Oil and Gas Company
Attn.: Tom Sprinkle
Suite 500, 5400 LBJ Fwy.,
Dallas, Texas 75240

Dear Mr. Sprinkel:

Reference is made to the following well on Federal oil and gas lease NM-0498:

**No. 3 Federal 8, located 737' FNL and 1686' FWL , Section 8, T.30N., R.12W.,
San Juan County, New Mexico.**

This well is within one mile of the Farmington City limits and considered a high priority for Inspection and Enforcement purposes. On April 17, 2001, this office received your after the fact notice that the well had been spudded, surface and production casing strings set and cemented, and the bradenhead squeezed. You indicated that cement bond logs were going to be run to evaluate cement integrity and the results filed accordingly.

This office has no record of prior approval, written or verbal, being given to perform the bradenhead cementing operations. In addition, you failed to notify our office **prior** to spudding the well so a BLM Inspector could be present to inspect the drilling and cementing operations. As such, you are in violation of 43 CFR 3162.3-1, and the General Requirements of the Application for permit to Drill under Part I, F and G., which requires prior notice before conducting drilling operations and approval before conducting remedial cementing operations. This violation will serve as notice that if actions of this sort occur in the future on any operations conducted by your company, you will be subject to an assessment. In addition, you are required to run a cement bond log on this well to determine the overall cement integrity of the well bore. Before your Completion Report will be accepted, you are required to file all cement bond logs run on this well. Enclosed you will find your processed Sundry Notice.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the assessment described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions regarding the above, please contact Jim Lovato @ (505) 599-6367.

Sincerely,

/s/ Jim Lovato

Jim Lovato

Team Leader, Petroleum Management Team

Enclosures (Sundry Notices)

bcc:

I&E: Kelly

Well File

DOMR

07100:JLovato:5/3/01:Texahoma.violation

NP 100-1