

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD-HOBBS

FORM 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

2. Name of Operator **Horseshoe Operating, Inc.**

3a. Address
110 W. Louisiana, Suite 200

3b. Phone No. (include area code)
432-683-1448

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

Section 24-T9S-R37E

660 N 660 E

5. Lease Serial No.

NM080255

6. If Indian, Allottee or Tribe Name

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

NM71124 (SW-31)

8. Well Name and No

Aikman Federal #1

9. API Well No.

30-025-04976

10. Field and Pool, or Exploratory Area

Sawyer (San Andres)

11. County or Parish, State

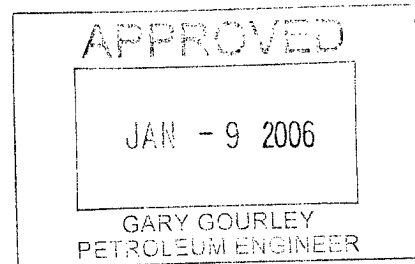
Lea Co., NM

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 checked="" 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 checked="" 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 recomplete 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.)

See attached



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Word B Wilson

Title **Vice President**

Signature

Date

12/14/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

Office

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.

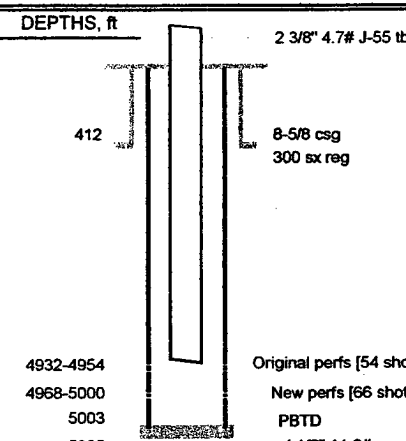
(Instructions on page 2)

GW

WELL DATA - PROG SHEET

OPERATOR Horseshoe Operating LEASE Aikman Brothers Federal WELL No. 1
 FIELD Sawyer (San Andres) KB: 3980 DF GL PBDT 5,003
 LOCATION 660 FN&EL, Sec 24, T-9-S, R-37-E, Lat-33.52514, Long-103.09904 API # 30-025-049760 SPUD DATE 12-21-60
 COMPLETION DATE Jan, 1961 FORMATION San Andres I.P. F: 10 BO, 920 MCF & 2 BWPD on 26/64 @ ? FTP TD 5,025

HOLE	CSG OD	WT/ GRADE	DEPTH, ft	CEMENT — REMARKS
17-1/2	8-5/8	24#	412	300 sx reg.
7-7/8	4-1/2	11.60/ J55	5,025	
	T.D.		5,025	

WELL BORE DIAGRAM		FORMATION	DEPTHS		SHOWS — REMARKS
DEPTHS, ft		TOPS	KB	Sub-sea	
		Redbeds			
		Salt Section			
		B/ Salt			
		Queen			
		Grayburg			
		Pi Marker			
		San Andres			Producing zone
		EQUIPMENT INVENTORY:			
4932-4954		Battery: 24 x 10 G/O Separator, 4 x 20 [cold] treater, 300 bbl [wooden] SW tank, 300 bbl welded			
4958-5000		steel, flat btm 12' x 15' oil tank, 210 bbl F/B steel tank [surplus, dis-conn.]			
5003		Pump Jack: Lufkin TC-44, 13,500 Load cap, 56" max stk. Has sgl phased A/C motor [mfg. plate			
5025		missing] w/ 4-grooved sheave. Control panel has external "Phase-Booster."			
		Location small, grown over & cluttered.			
		Rods: [8/2001] 198 - 3/4 steel, 2- 2' & 2 - 4' pony rods. The pump may be a 2 x 1-1/2 X 16 BHD.			
		Tubing: 2-3/8 EUE 4.7# J55 [approx. 160 jts].			

DATE	INTERVALS	WELL HISTORY	BEFORE	AFTER
01-18-61	4932-4954	Acidized w/ 500 gal MEC 15% & 10,500 gal 15% XLST 15%	I P:	10 BO & 920 MCFD

PROCEDURE: To clean-out to PBDT, open new pay, re-perf old pay zones & stimulate all zones with a CO₂ acid-frac treatment.

- Shoot fluid level. Record tbg & csg pressures. * Scrape location & dig out cellar. Set 500 bbl [van-type] frac tank for wellbore (dirty) fluids recovery. Set & Fill a clean 500 bbl tank with fresh water. Bleed csg & tbg down into 'dirty' tank.
- MIRUPU. Set up H₂S gear. Unseat pump & hot-oil tbg w/ 20 bbls. Treat flowline w/ 5 bbls hot-oil. Set racks & off-load 5100' of 2-3/8 4.7# J-55 work string, bit sub & 3-7/8 W/O bit.
- Unseat pmp & hot-oil down tbg. Pull & visually inspect rods. Shop the pump. Prep to replace any rods, boxes, etc.
- Release TAC, NU BOP, tag btm & strap out of hole. Rack tbg on one side. Visually inspect tbg, LD any bad tbg jts or collars.
- Set in reverse & foam units. RIH w/ W/O bit on work string & RU drig eqpt, & clean out to PBDT. Spot 65 gal 7.5% dbi inhib NEFe acid on btm. POH, remove bit & sub and stand back work string.
- RU WL. Perf & re-perf csg w/ 3 CJPF each, @ 5000-4996, 4990-80, 4976-68' [66 shots], & 4954-46, 4932 to 4942' [54 shots]. Load 45 cal. shots & fire from the bottom up w/ a Select-Fire hollow steel carrier [HSC] if possible.
- RIH w/ PPI pkr string to btm shot. Rig up acid treater. Progressively breakdown & pump 50 gal 15% NeFe acid into each foot of both new & old perforations, from btm to top. After flow-back, RU to swab.
- Swab tbg [SN on T/ of upper pkr] to check fluid entry. If pkr string can support an acid frac job, RU to frac. If necessary, round trip the tools for a treating pkr.
- Set pkr @ 4800' & load the csg w/ FW. Pressure csg to 750 psi [?]. Frac 120 csg perfs 4932-5000' down 2-3/8 J55 tbg w/ 600 mcf CO₂ ahead of 12,000g of [70-Q] Co₂ foamed 15% NeFe HCl acid, containing musol*.
- SI for 30 min & commence flow-back. Conduct well test.
- Release & POH w/ pkr, laying down workstring. RIH w/ 2-1/2" X 28' perfd mud anchor w/ 2-3/8" EUE top, SN, 1-jt tbg, TAC & rest tbg. Land tbg @ +/- 4920'. Space-out, set TAC & ND BOP.
- Run pump & rods. Load tbg with water, hang on & POP. Check for pumping & RDMOPU. Empty & release all rentals. Put well on test.

REMARKS: * Musol is suggested for attempted clean-up of probable heavy oil deposits [damage] in the formation.

Prepared By: Bob Yeates
 Date: 12-08-05