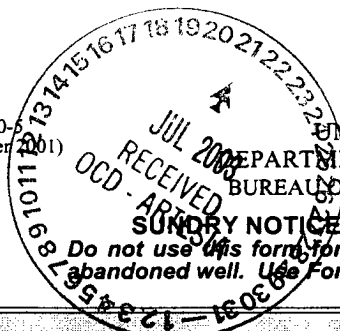


N.M. Oil Cons. Division  
1625 N. French Dr.  
Hobbs, NM 88240

Form 3160-3  
(September 2001)



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires January 31, 2004

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC 066087
2. Name of Operator CHISOS LTD c/o TORCH ENERGY		6. If Indian, Allottee or Tribe Name
3a. Address 1221 LAMAR STE 1600 HOUSTON TX 77010-3039	3b. Phone No. (include area code) 713-756-1755	7. If Unit or CA/Agreement, Name and/or No. NNNM105316
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) L NSW 6 - 19S - 30E 2000/5 L 680/W		8. Well Name and No. WISHBONE FEDERAL COM #1
		9. API Well No. 30-015-30640
		10. Field and Pool, or Exploratory Area TURKEY TRACK; MORROW (GAS)
		11. County or Parish, State LEA, NM

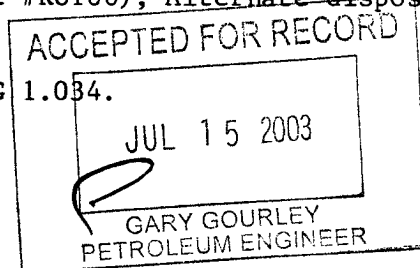
**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Other Respond to
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	Notice of Written
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	Order 6/12/2003.
		<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 recompletable 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 recompletable 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.)

Responses to Notice of Written Order dated 6/12/2003:

- (1) Method of disposal of produced water: Hauled off location by Lucky Well Service; Primary disposal site Basin Alliance (UCI Permit #R8166); Alternate disposal site Hobbs State #3 (UCI Permit #SWD 121)
- (2) Rate of water production: 0.1 BWPB.
- (3) Water analysis: Chlorides 32,500 mg/l, pH 5.879, SG 1.034.  
Full Water Analysis Attached.



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

John Abeln

Title Engineer

Signature

Date 07/07/2003

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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 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 reverse)

GW

JUL 17 2003

# Endura Products Corporation

P.O. Box 3394, Midland, Texas 79702  
Phone (432) 684-4233 Fax (432) 684-4277

## WATER ANALYSIS

Date	7/2/2003	Endura Rep	Greg Archer	Code	101006517
Sampling Point/Date	Tank on Gas Well	7/1/2003		State	New Mexico
Company	Chisos Operating			County	Lea
Formation		Lease	Wishbone Federal	Well	#1

## DISSOLVED SOLIDS

### CATIONS

	mg/l	me/l
Sodium, Na+ (Calc.)	19,757	859
Total Hardness as Ca++	1,480	0
Calcium Ca++	1,280	64
Magnesium, Mg+	122	10
Barium, Ba++	0	0
Iron (Total) Fe+++*	138	7

### ANIONS

Chlorides, Cl-	32,500	915
Sulfate, SO4-	325	7
Carbonate, CO3-	0	0
Bicarbonates, HCO3-	1,098	18
Sulfide, S-*	0	0
Total Dissolved Solid	55,220	

## OTHER PROPERTIES

pH*	5.879
Specific Gravity, 60/60 F.	1.034
Turbidity	2942

## SCALING INDICIES

<u>TEMP. F</u>	<u>CA CO3</u>	<u>CASO4*2H2O</u>	<u>CA SO4</u>	<u>BA SO4</u>
80	-0.7272	-1.1984	-1.3692	-28.9607
120	-0.4278	-1.2071	-1.1974	-29.1942
160	0.0227	-1.1911	-1.0087	-29.4078

## PERFORATIONS

☒ Certified Mail - Return  
Receipt Requested  
7002046000023988243UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## NOTICE OF WRITTEN ORDER

## IDENTIFICATION

IID  
Lease NMLC066087  
CA NMNM105316  
Unit  
PA

Bureau of Land Management Office CARLSBAD FIELD OFFICE				Operator CHISOS LTD C/O TORCH ENERGY			
Address 620 E GREENE STREET CARLSBAD NM 88220				Address 1221 LAMAR SUITE 1600 HOUSTON TX 77010-3039			
Telephone 505.234.5972				Attention			
Inspector EARLY				Attn Addr			
Site Name WISHBONE FEDERAL COM	Well or Facility 1	1/4 1/4 Section NWSW 6	Township 19S	Range 30E	Meridian NMP	County EDDY	State NM
Site Name WISHBONE FED.	Well or Facility L	1/4 1/4 Section NWSW 6	Township 19S	Range 30E	Meridian NMP	County EDDY	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
06/12/2003	09:00	07/14/2003	07/02/2003	ONSHORE ORDER # 7.111.B.2. (A)

## Remarks:

ON THE CHISOS LTD C/O TORCH ENERGY ON THE WISHBONE FEDERAL COM. NO METHOD OF WATER DISPOSAL ON FILE. SUBMIT APPLICATION FOR METHOD OF WATER DISPOSAL. AND SUBMIT FOR ALTERNATIVE LOCATION.

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title Engineer Signature John Abela Date 07/07/2003  
Company Comments Sundry Notice sent to BLM Roswell, copy attached.

## Warning

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

## Review and Appeal Rights

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer

Date

Time

Ron Early6/12/20031420

## FOR OFFICE USE ONLY

Number 33	Date	Type of Inspection PI
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I &amp; E CFO