

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**OCD-ARTESIA**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.**

<b>SUBMIT IN TRIPLICATE- Other instructions on reverse side.</b>		<b>RECEIVED</b>
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		<b>MAY 22 2006</b>
2. Name of Operator Unit Petroleum Company		<b>UNIT PETROLEUM</b>
3a. Address 407 North Big Spring St, Ste 101, Midland, TX 79701	3b. Phone No. (include area code) 432-685-9020	
4. Location of Well (Footage, Sec, T., R., M., or Survey Description) Surface: 2385' FNL & 271' FEL, Sec 1 T18S-R26E Bottom Hole: 1845' FNL & 1487' FEL Sec. 1 T18S-R26E		
5. Lease Serial No. LC- 066445		6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.		8. Well Name and No. Monte Carlo Federal Com #1
9. API Well No. 30-015-34372		10. Field and Pool, or Exploratory Area Atoka Penn (Pro-Gas)
11. County or Parish, State Eddy County, New Mexico		

**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 type="checkbox"/> Water Shut-Off
<input checked="" 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
	<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 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.)

3-31-06 9 am MST, Spud with 17 1/2" bit.

4-1-06 Finished 17-1/2" hole at 315', ran 315' 13-3/8" 48# H-40 ST&amp;C casing, cemented w/200 sx "C" w/6% D20, 12.7 ppg, 1.91ft3/sk plus 200 sx "C" w/2% S1, 14.8 ppg, 1.34ft3/sk. Cmt w/partial returns, did not circulate, ran temp survey, found TOC at 60'.

4-2-06 1" cement backside from 58' in two 50 sx stages, circ 25 sx to surface on second stage from 30'.

4-3-06 Wait on cement 27.25 hours since plug down prior to pressure testing. Test blind rams, pipe rams and 13-3/8" casing to 1000# successfully for 30 mins each. Drill out with 12-1/4" hole.

4-6-06 Finished 12-1/4" hole to 2,064'.

4-9-06 Ran 2,064' 9-5/8" 36# J55 LT&amp;C casing to TD. Cemented w/660 sx 35/65 Poz "C", 12.7 ppg, yield 1.99 ft3/sk and talled w/200 sx "C" w/1% CaCl2, 14.8 ppg, yield 1.33 ft3/sk, plug down 11:00am on 4/9/06. Did not circulate, BLM &amp; OCD were notified. WOC 8 hrs and ran temp survey, TOC@ 820' from surface.

4-10-06 thru 4-11-06 1" cement backside in 6 stages with a total of 365 sx "C" w/3% CaCl2, last stage from 480' of 90 sx circulated 15 sx to surface.

4-11-06 NU BOP stack, tested to 250# low side, 3,000# on high side. Also tested manifold, upper &amp; lwr kelly valves to 3,000#. Tested 9-5/8" casing &amp; pipe rams to 2,000# for 30 minutes. Drillout with 8-3/4" bit

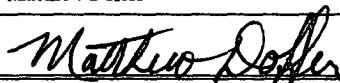
5-8-06 Reached TD of 9,563'MD, 9,307' TVD.

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

Matthew Doffer

Title District Engineer

Signature



Date

05/10/2006

ACCEPTED FOR RECORD

**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

MAY 19 2006

Office

ALEXIS C. SWOBODA  
PETROLEUM ENGINEER

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)