

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010**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.5. Lease Serial No.
NM 2537

6. If Indian, Allottee or Tribe Name

S

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well☐ Gas Well☐ Other

FEB 21 2008

2. Name of Operator

ST. MARY LAND & EXPLORATION

OCD-ARTESIA

3a. Address

3300 N. "A" ST. BLDG #7, SUITE 200, MIDLAND, TX 79705

3b. Phone No. (include area code)

432 6881787

7. If Unit of CA/Agreement, Name and/or No.
NMNM101361X8. Well Name and No.
East Shugart Delaware Unit, Well #19. API Well No.
30 015 25741

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

Section 13, T18S, R31E, 430' FSL & 1650' FEL (O)

10. Field and Pool or Exploratory Area
Shugart Delaware East11. Country or Parish, State
EDDY COUNTY, NM

12. CHECK THE 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 checked="" 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

The ESDU, Well #1 is TA w/a CIBP @ 4781' w/30' cmt on top, and a CIBP @ 3750' above perforations @ 3790-94'. We propose to drill out the CIBPs set in the well (diagram attached), perforate and test the lower perforations @ 5163-5202'. We will set a packer @ approximately 5100', test this zone and evaluate the economic viability of this zone, along with possible application to downhole commingle with upper zones.

A casing integrity test was performed on this well on 12-19-07, 540 psi for 30 minutes (+). Chart attached.

Form 3160-5 will be submitted with OCD form C-102 for drill out and testing lower Delaware zone.

ACCEPTED FOR RECORD

FEB 21 2008

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

ACCEPTED FOR RECORD

FEB 18 2008

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Ann E. Ritchie

Title Regulatory Agent

Signature

Date 02/04/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

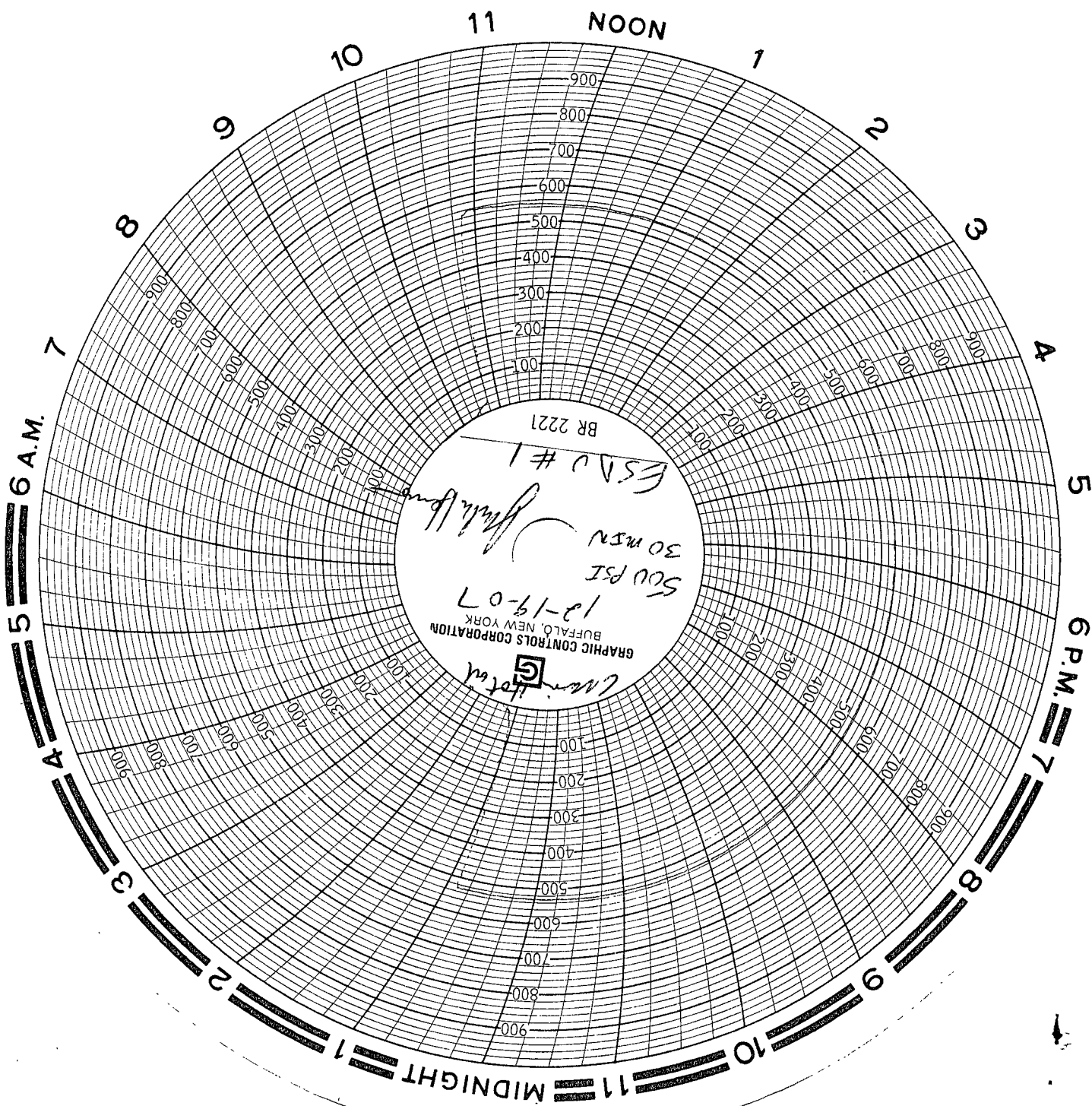
Date

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 page 2)



WELLBORE DIAGRAM

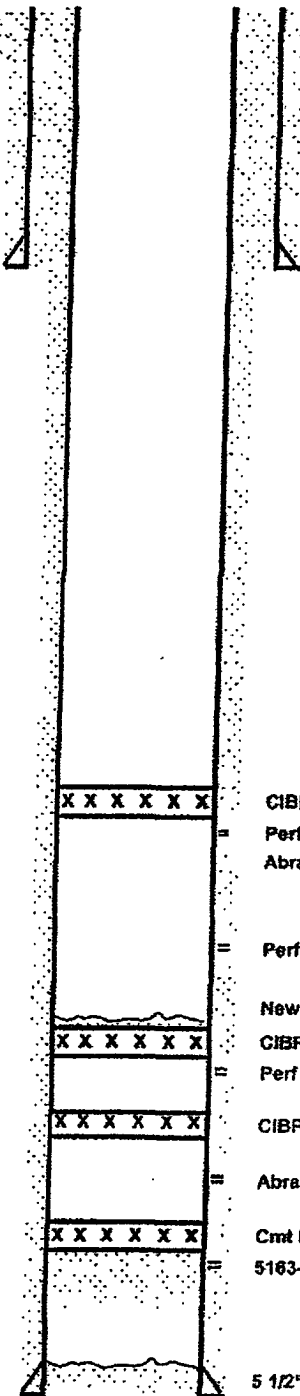
ESDU #1

LEASE: ESDU
LOCATION: 430' FSL & 1650' FEL
FIELD: SHUGART DELAWARE EAST
CURRENT STAT. TEMP ABANDONED

UL: 0
WELL NO.: 1
SEC: 13 T:18S R:31E
GL: 3727 CT/ST: EDDY, NM

API #: 30-015-25741
SPUD: 3/30/87
COMP: 8/8/87
INITIAL FORM: BONE SPRINGS

CURRENT
WELLBORE



8 5/8" 24# @ 366'
Cmtd w/230 sx, circ
40 sx to surf

CIBP @ 3750'

Perf 3790-94', 2 JSPF (8 holes)
Abrasa Jet - 2 cuts @ 3792'

Perf 4330-4428', 1 SPF (6 holes), Grayburg

New PBTD 4751'

CIBP @ 4781' w/30' cmt on top

Perf 4848-4870' (23 holes), Bone Springs

CIBP @ 5050'

Abrasa Jet - 2 cuts @ 5085'

Cmt Ret @ 5150'

5163-5202', 1spf(7 total) at 5163,65,68,72,76,5201,5202, Sqzd w/588 sx

5 1/2", 17#, J-55 @ 5450'

Cmtd w/ 1950 sx, circ
15 sx to surf

WELL HISTORY

Apr-87 TD well @ 5450'
Perf 5163-5202', 1 JSPF. Acidize w/2000 gals
7-1/2% MYA-100. Frac w/40,000 gals + 60,000# sand

Jun-87 Set ret @ 5150'. Squeeze perms 5163-5202' w/588 sx cmt.
Abrasa jet 2 cuts @ 5085', acidize w/500 gals
7-1/2% NEFE. Frac cuts @ 5085' w/10,000 gals
+ 21,000# sand.

Aug-87 Set 5-1/2" CIBP @ 5050'.
Perf 4848-4870', 1 JSPF (23 holes). Acidize w/2100
gals 7-1/2% HCL. Frac w/20,000 gals + 42,500# sand.

Jul-88 Set CIBP @ 4781'. Perf 4330-4428' (OA), 1 SPF (6 holes).
Acidize w/1200 gals 15% SRA & 18 ball sealers. Frac only
4330-32' w/40,000 gals WF 35 & 63,000# sand.

Aug-89 Set RBP @ 4150'. Abrasa jet 2 cuts @ 3792'.
Acidize w/1000 gals 10% MSR-100. Frac cuts
w/7600 gals 30# x-link & 3000# 10/20 Ottawa sand.
Clean out to 4150' (RBP). Ret RBP @ 4150' and POH.

Nov-89 Perf (re-shoot) 3790', 01', 93' & 94', 2 JSPF (8 holes).
Acidize w/1500 gals 10% SRA. Re-frac perms & cuts
3790-94' w/15,000 gals 30# x-link & 24,000# 16/30
Ottawa sand.

Mar-02 Set CIBP @ 3750'.

PBTD: 5404'
TD: 5450'

DATE: 1/9/08
PREPARED BY:
L. HAGELSTEIN