

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division

811 S. 1st Street

Artesia NM 88210-2834

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000SUNDRY 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 <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Water Injector		6. If Indian, Allottee or Tribe Name NM-67102
2. Name of Operator St. Mary Land & Exploration c/o Nance Petroleum Corporation		7. If Unit or CA/Agreement, Name and/or No. Parkway Delaware Unit
3a. Address P. O. Box 7168 Billings, MT 59103	3b. Phone No. (include area code) (406)245-6248	8. Well Name and No. PDU #509
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1210' FEL & 1210' FEL, Sec 35-T19S-R29E Unit Letter: P		9. API Well No. 30-015-30030
		10. Field and Pool, or Exploratory Area Parkway Delaware
		11. County or Parish, State Eddy, 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 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 checked="" 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 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.)

PDU #509 was completed as a water injector in January 1998. Cumulative injection is 134 MBW and it is currently unable to inject at its permitted pressure limit. The initial stimulation of 2500 gal. acid and subsequent acid treatments have proven insufficient to maintain effective injection. The Delaware sand is too tight to effectively flood without proppant.

We propose to frac the existing perforated interval (4204-4324') with approximately 25M gal. XL gel and 42M #'s 20/40 sand. This operation is necessary to waterflood the pattern. We plan to treat PDU #509 upon receiving regulatory and WIO approval.

SUBJECT TO
LIKE APPROVAL
BY STATEAPPROVED
PETER W. CHESTER

OCT 23 2000

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

Herb Thackeray

Title Operations Engineer

Signature

Herb Thackeray

Date

10/5/00

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