

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OM B 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 Other2. Name of Operator
Primero Operating, Inc.3a. Address
PO box 1433, Roswell, NM 882023b. Phone No. (include area code)
505 622 1001

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

Sec 20, T16S, R31E, 1880' FNL & 330' FWL

5. Lease Serial No.

NM-77042

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Ford Federal #1

9. API Well No.

30-015-35080

10. Field and Pool, or Exploratory Area

Square Lake, Gb/San andres

11. County or Parish, State

Eddy

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|----------------------|------------------|---------------------------|---|
| Notice of Intent | Acidize | Deepen | Production (Start/Resume) | Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | Alter Casing | Fracture Treat | Reclamation | Well Integrity |
| Final Abandonment Notice | Casing Repair | New Construction | Recomplete | <input checked="" type="checkbox"/> Other <u>Commence</u> |
| | Change Plans | Plug and Abandon | Temporarily Abandon | <u>drilling and casing</u> |
| | Convert to Injection | Plug Back | Water Disposal | <u>report</u> |

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.)

Commenced drilling a 12 1/4" hole on November 7, '06 and drilled to 580'. Ran new 8 5/8" 24# casing equipped with Texas Pattern shoe, insert float and 3 centralizers. Landed casing at 576' and cemented with 350 sx Class C cement, circulating 43 sx to pit. Plug down at 7:27 pm, 11/8/06.

WOC 8 hrs and NU BOP, tested BOP w/ 2000 psi for 15 minutes - OK.

Commenced drilling a 7 7/8" hole on November 9, '06 and drilled to 3871', TDd on 11/16/06. The well was logged. Ran new 5 1/2" 15.5# J-55 casing equipped with guide shoe, float collar and 9 centralizers and cemented with 735 sx "lite" cement and 250 sx 50/50 poz C cement. Circulated 70 sx. to pit. Plug down at 5:30 PM, 11/16/06.

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

Phelps White

Title President

Signature

Date 12/14/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE ACCEPTED FOR RECORD

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

Office

Date

JAN 31 2007

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 Federal or State official, or to any member of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FREDERICK W. WRIGHT
PETROLEUM ENGINEER

(Instructions on page 2)

Accepted for record - NMOCD

2/2/07