

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

North - West
MAR 26 2007
OCD-ARTESIA, NMFORM 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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Rex Energy (Joe Clement 432-685-0075)

3a. Address

500 W. Texas Ave. Suite 940 Midland, TX 79701

3b. Phone No. (include area code)

432-685-0075

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

1780' FNL & 1830' FEL Section 20 T22s-R22E Eddy County NM

5. Lease Serial No.
NM-8420A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Patterson "20" #1

9. API Well No.

30-015-35451

10. Field and Pool or Exploratory Area
Rocky Arroyo - Southwest11. Country or Parish, State
Eddy CO. New Mexico

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 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 checked="" type="checkbox"/> Other Notice of Spud
	<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.)

Spud well with Butch's Rathole Service w/ 26" hole down to 20'. Unable to get deeper with this rig. Change out rathole diggers. Continue drilling 26" hole down to 45'. Run 45' of 20". Cement to surface with 6 yards ready mix.

Notified Jim Amos-- BLM Carlsbad, NM of spud w/ rathole digger. Contacted BLM on call Mr. Terry Wilson of running 20" csg and cementing to surface. Cement completed on 20" at 1900 hrs, 3-14-2007.

Move in United Drlg Co Rig #40.

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

Name (Printed/Typed)

Joe N. Clement

Title Vice President & Permian Basin District Manager

Signature

Date 03/14/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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 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)

ACCEPTED FOR RECORD

MAR 22 2007

WESLEY W. INGRAM
PETROLEUM ENGINEER