

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NM-0540294A
2. Name of Operator Unit Petroleum Company	6. If Indian, Allottee or Tribe Name
3a. Address PO Box 702500 Tulsa, OK 74170	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) (918) 493-7700	8. Well Name and No. Philly Federal #3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1310' FSL & 990' FEL Sec. 21-T23S-R26E	9. API Well No. 30-015-32993
	10. Field and Pool, or Exploratory Area Carlsbad South - Morrow
	11. County or Parish, State Eddy Co. 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other Spud Well
	Run casing & cement

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.)

9/1/03 Spud well @ 1:00pm. Drilling 17½" hole.
9/3/03 Drilled 17½" hole to 600ft. Ran 14 jts 13-3/8" 48# H-40 STC casing to 600ft. and cemented with 300 sx 50/50 Poz "C"+2% S1+0.25 D29+10% D20 mixed @ 11.6# & 2.57 cu.ft/sk and 200 sx Class "C" Neat mixed @ 14.8# & 1.32 cu.ft/sk. Circulated 135 sx cement to the reserve pit. WOC 32 hrs.
9/11/03 Drilled 8-3/4" hole to 2740ft. Ran 64 jts 9-5/8" 36# J-55 STC casing to 2740' and cemented with 850 sx 50/50 Poz "C"+10% D20+0.2D46+5% D44+0.25D29 mixed @ 11.6# & 2.7 cu.ft/sk and 200 sx "C" Neat mixed @ 14.8# & 1.32 cu.ft/sk. Circulated 125 sx cement to the reserve pit. WOC 28 hrs.

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) KELLY RYAN	ACCEPTED FOR RECORD
Signature <i>[Signature]</i>	Title DIST. ENGR
SEP 22 2003	Date 9/15/03
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved by LES BABYAK PETROLEUM ENGINEER	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 reverse)