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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOil Cons.
N.M. DIV-Dist. 21301 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

OCD-ARTESIA

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		6. If Indian, Allottee or Tribe Name
2. Name of Operator Unit Petroleum Company		7. If Unit or CA/Agreement, Name and/or No.
3a. Address P.O. Box 702500 Tulsa, OK 74170	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., NM

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 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Run casing &
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	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 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 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.)

10/20/03 Drilled 8-3/4" hole to 11,780'. Ran MSFL, DLL, GR open hole logs from 11,720'-11,464'.

10/21/03 Ran 67 joints 5 1/2" 20# N80 LTC casing, 133 joints 5 1/2" 17# I80 LTC casing, and 77 joints 5 1/2" 20# N80 LTC casing to 11,780' and cemented with 140 sx 35:65 Poz "H" + 5% D44 + 6% D20 + 0.2% D46 + 0.2% D13 + 2 pps D24 mixed @ 12.4 ppg & 2.03 ft3/sk and 312 sx PVL + 1.5 gps D600G + 0.05 gps D604AM + 0.4 gps D801 mixed @ 14.4 ppg & 1.2 ft3/sk. Bumped the plug & floats held. Set slips & nipped down BOP's.

Due to hole conditions, Unit was unable to drill to the original projected depth of 12,100 ft and run 5 1/2" casing to this depth. Unit plans to drill out the 5 1/2" casing with a 4 1/2" bit and drill to an approximate depth of 11,875'

ACCEPTED FOR RECORD

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

Name (Printed/Typed)

Kelly Ryan

Title District Engineer

NOV 3 2003

Signature

Date

10/28/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

LES BABYAK
PETROLEUM ENGINEER

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 reverse)