

OCD-ARTESIA

Form 3160-5
(April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM 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 reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMM-67103
2. Name of Operator Laguna Grande, LLC		6. If Indian, Allottee or Tribe Name
3a. Address 601 W. 2nd Street, Suite #18, Roswell, NM 88201	3b. Phone No. (include area code) 575-622-1100	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1380' FSL & 990' FEL Unit I Sec 28-T23-R29E		8. Well Name and No. Laguna Grande Federal #1
		9. API Well No. 30-015-21636
		10. Field and Pool, or Exploratory Area Und Laguna Salado Bone Spring
		11. County or Parish, State Eddy County, 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 type="checkbox"/> Deepen	<input checked="" 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 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 recomplate 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.)

11-25-2009 thru 12-07-2009

Move in and rig up Mustang Well Service workover rig. GIH w/ 2 X 1.5 X 24 RHBC pump with 1.25" X 16' gas anchor, 6--1.5" K Bars and then 160--3/4" rods + 107--7/8" rods. Seat pump and space out. Hang well on clamp. Rig down and move out workover rig. Move in and set concrete base for pumping unit. Set new Snelson Permian 456-305-144 pumping unit. Install new Deutz DEU-GF3L913-7656-M natural gas engine as prime mover. Hang well on pumping unit and balance unit. Plumb in natural gas engine. Run engine and stroke pumping unit. Pressure up to 500 psi in 3 strokes. Execute natural gas contract with Las Animas pipeline. Calibrate Total Flow gas meter on 12/4/2009 and witnessed by BLM CRO Richard Carrasco.

Make repairs to separator and open well to gas sales on 12/7/2009 at 1500 hrs. First gas sales through meter run on 12/07/2009 with 218 mcf/d rate with 2000 psi FCP. Contact Wildcat Measurement for gas analysis. Gas analysis and well completion report to follow. Move off unused two phase separator and move tank into fire wall area for additional water tank. New site security diagram will be submitted with completion report.

Well is currently back into a producing status as POW.

Accepted for record

NMOCD

14. I hereby certify that the foregoing is true and correct		<div style="border: 2px solid black; padding: 5px; width: fit-content; margin: auto;"> RECEIVED OCT 18 2010 NMOCD ARTESIA </div>
Name (Printed/Typed) Ron Ruthenford	Title Operations / Managing Member	
Signature 	Date 12/07/2009	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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.	<div style="border: 2px solid black; padding: 5px; text-align: center;"> ACCEPTED FOR RECORD OCT 14 2010 /s/ Roger Hall BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE </div>
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)