

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OGD
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JUL 06 2011

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

SUNDRY NOTICES AND REPORTS ON WELL RECEIVED

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 NMNM 07966
2. Name of Operator McDonnold Operating Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 505 N. 1st Spring, Suite 204 Midland TX 79701	3b. Phone No. (include area code) 432-682-3499	7. If Unit or CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec., T., R. M., or Survey Description) 660' FNL and 660' FWL D-35-205-36E, Lea Co. NM		8. Well Name and No. Bay Federal #3
		9. API Well No. 30-025-04408
		10. Field and Pool, or Exploratory Area Eumenty - Juvrs ON
		11. County or Parish, State Lea Co. NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 checked="" 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 shall 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 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.)

TD 4070'
Perfs 3855'-3969'
TOC 699'
8 5/8" @ 351' w/ 225 SX Tex surf.
5 1/2" @ 4070' TOC 699'
CIBP @ 3800' w/ 35' cmt on top.
Perfs 3087'-3407'

NU 3K BOP
MIRU P&A rig. POOH w/ PKR.
Set CIBP @ 3040'. Spot 255x plug on top.
Circ hole w/ 12.5#/gal mud laden fluid.
Perf 502 holes @ 400' & fill 5 1/2" & 8 5/8"
CSG w/ cmt.

Accepted for Record Only

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Craig M. McDonnold		Title President
Signature <i>Craig M. McDonnold</i>		Date 6-3-11

ECG 7-6-2011
OCD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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 _____	

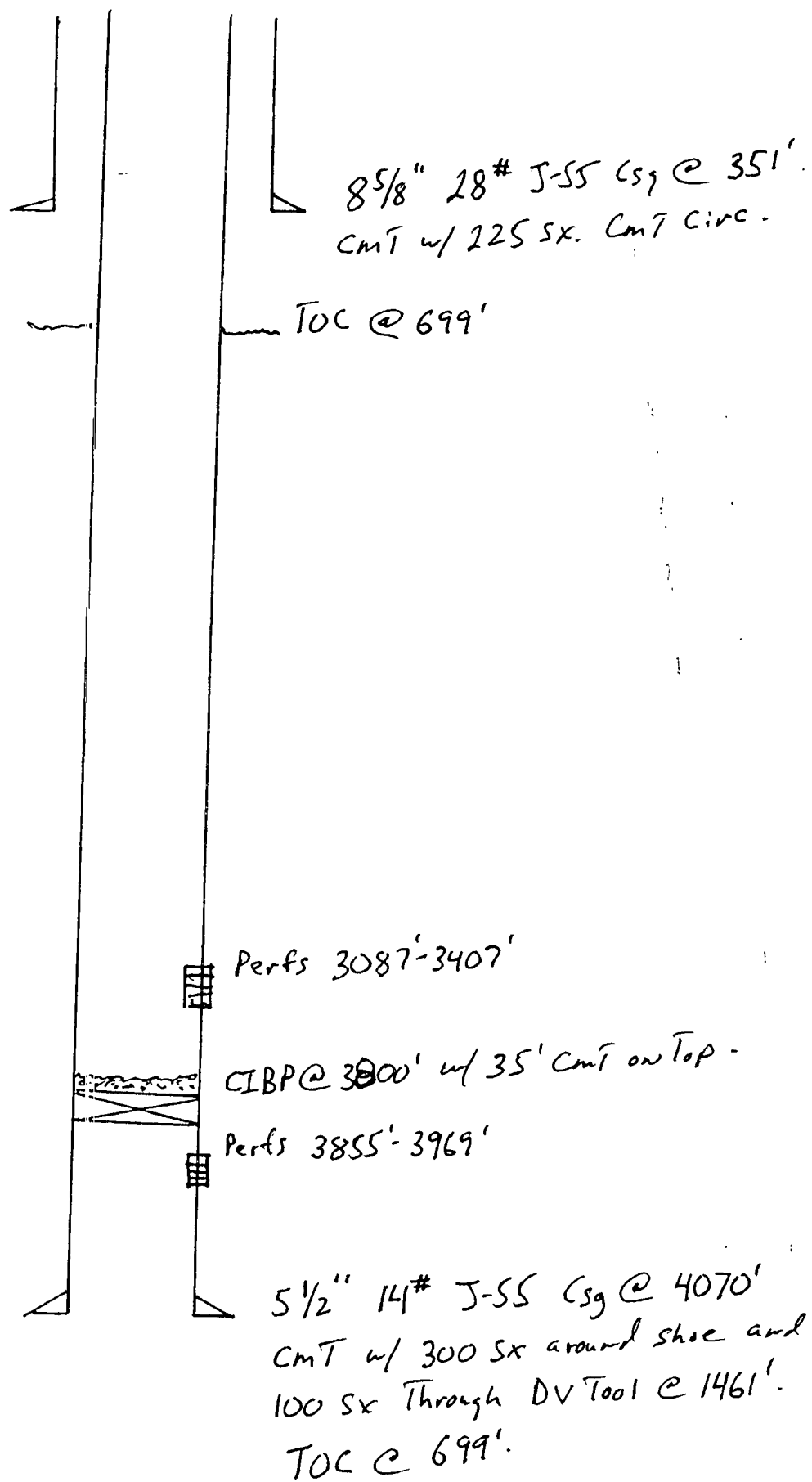
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Bay Fed #3

30-025-04408

Wellbore schematic as of 6/3/11



Bay Fed #3

30-025-04408

Proposed R&H.

Perf SQZ holes @ 400'.

Fill $8\frac{5}{8}"$ + $5\frac{1}{2}"$ CSG w/ CMT.

$8\frac{5}{8}"$ 28# J-55 CSG @ 351'.
CMT w/ 225 SX. CMT Circ.

TOC @ 699'

CIBP @ 3040'. SpdT 25 SX CMT on Top.

Perfs 3087'-3407'

CIBP @ 3800' w/ 35' CMT on Top.

Perfs 3855'-3969'

$5\frac{1}{2}"$ 14# J-55 CSG @ 4070'
CMT w/ 300 SX around shoe and
100 SX Through DV Tool @ 1461'.
TOC @ 699'.