

New Mexico Oil Conservation Division, District I

1625 N. French Drive

Hobbs, NM 88240

Form 3160-5
(September 2001)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NM NM 2244
2. Name of Operator Cameron Oil & Gas Inc.	6. If Indian, Allottee or Tribe Name
3a. Address PO Box 1455 Roswell NM 88201	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) (505) 627-3284	8. Well Name and No. SARAH B #3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FUL & 330' FUL SWSW Sec 1, T 23 S R-37 E	9. API Well No. 30-025-32178
	10. Field and Pool, or Exploratory Area WIDEAT SAN ANDROS
	11. County or Parish, State Lea Co, N.M

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 checked="" 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 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.)

CAMERON IS ASKING FOR AN EXTENSION ON THE PLUGGING AND ABANDONMENT OF THE ABOVE WELL. THIS WELL COULD BE SOLD TO RICE OPERATING CO TO BE UTILIZED AS A SALT WATER DISPOSAL WELL. PLEASE FIND THE ATTACHED LETTER FROM RICE TO CAMERON REGARDING THIS MATTER.

APPROVED FOR 3 MONTH PERIOD
ENDING 10-8-05

APPROVED

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) G. DAVID Sweeney	Title Operations Manager
Signature G. David Sweeney	Date 7-7-05
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 reverse)

GWW

RICE *Operating Company*

122 West Taylor • Hobbs, NM 88240
Phone: (505) 393-9174 • Fax: (505) 397-1471

July 6, 2005

Mr. David Sweeney
Cameron Oil and Gas
P. O. Box 1455
Roswell, NM 88201-1455

RE: Acquisition for the Blinebry Drinkard SWD System
Sarah B #3 Wellbore
330' FSL, 330' FWL
Section 1, T23S, R37E
Lea County, NM

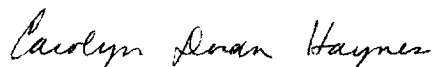
Dear Mr. Sweeney:

Rice Operating Company (ROC), as operator of the Blinebry Drinkard (BD) Salt Water Disposal System, is confirming the intent to enter negotiation with Cameron Oil and Gas for purchase of the Sarah B #3 wellbore, ultimately to convert the wellbore into a San Andres formation salt water disposal well.

ROC has contracted with Ellis Gray of Gray Surface Specialties, Midland, Texas, to complete and submit the Form C-108, Application to Inject, to the New Mexico Oil Conservation Division and to negotiate with the landowner, Leo V. Sims, for a salt water disposal easement/lease. Mr. Gray anticipates the NMOCD application to be complete and submitted by August 1, 2005.

The conversion to disposal will be scheduled as soon as the NMOCD issues approval of the injection order and the easement/lease is finalized with Mr. Sims. ROC will distribute an AFE for this project to the BD SWD System Partners for approval and funding.

Thank you for this opportunity. Should you have any questions or concerns, please contact me at the ROC office.



Carolyn Doran Haynes
Engineering Manager
Cc: LBG, JSC, EG