

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTN.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000**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. NMNM28028
2. Name of Operator Seely Oil Company		6. If Indian, Allottee or Tribe Name
3a. Address 815 West Tenth Street, Fort Worth, TX 76102	3b. Phone No. (include area code) (817) 332-1377	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SWSE 19, 18S-34E-NMP 66065 + 19801E		8. Well Name and No. Federal CS #1
		9. API Well No. 30-025-27434
		10. Field and Pool, or Exploratory Area EK Yates - SR - Queen
		11. County or Parish, State Lea 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 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 checked="" 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 recomple 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/BLA. 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.)

Seely Oil Company is currently injecting the produced water from the Federal CS No. 1 well into the unitized formation of the EK Queen Unit. Seely is using the same flowline system that the McElvain Federal No. 7 is using that was accepted for record by the BLM on July 23, 2001.

OC
NOTE: There is no Approval found on file for this well to be INJECTING - OR - DISPOSING of water. CHECK your records! ??

Gary - this well isn't a disposal well. Water is injected into an approved well off lease.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) David L. Henderson		Title Vice President
Signature <i>David L. Henderson</i>	Date 3/10/03	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Chris Williams</i>	OC DISTRICT SUPERVISOR/GENERAL MANAGER	Date APR 18 2003
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.

**SUBJECT TO
LIKE APPROVAL
BY STATE**

ATTACHMENT

Made a part of 3160-5
Federal CS No. 1 Well
Lea County, New Mexico

1. The Penrose/Queen is producing on this lease.
2. 3 BPD
3. See enclosed
4. Water is stored in two (2) 210 bbl. fiberglass tanks located on this lease.
5. Water is moved through 2" & 3" plastic lines laid on the surface to the production facilities of the EK Queen Unit.
6.
 - (a) Seely Oil Company
 - (b) EK Queen Unit
 - (c) Various active injection wells
 - (d) Production facilities located in the NW/4 SE/4 Section 13T-18S-R34E
7. There are numerous injection wells associated with the EK Queen Unit – POD No. 022434.

COMPOUND	Eq. Wt.	X	MEQ/L	=	mg/L
Ca(HCO ₃) ₂	81.04	X	4.31	=	350
CaSO ₄	68.07	X	74.51	=	5,072
CaCl ₂	55.50	X	150.03	=	8,327
Mg(HCO ₃) ₂	73.17	X	0.00	=	0
MgSO ₄	60.19	X	0.00	=	0
MgCl ₂	47.62	X	751.91	=	35,806
NaHCO ₃	84.00	X	0.00	=	0
NaSO ₄	71.03	X	0.00	=	0
NaCl	58.46	X	2,731.86	=	159,705