

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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. NM101608
2. Name of Operator Robert E. Landreth		6. If Indian, Allottee or Tribe Name
3a. Address 505 N. Big Spring, Ste. 507 Midland, TX 79701	3b. Phone No. (include area code) 432-684-4781	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL 1980' FWL NESW (K) Sec. 10, T-25-S, R-35-E		8. Well Name and No. Oxy Banana Girl Federal No. 2
		9. API Well No. 30-025-35322
		10. Field and Pool, or Exploratory Area Wildcat Strawn Oil
		11. County or Parish, State Lea County, 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 checked="" type="checkbox"/> Other <u>Request</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>authority to vent</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>gas.</u>

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.)

Approval is requested to vent gas produced from this well for a period of one year, subject to review and possible continuation of venting after that time. We are currently testing the well to determine (a) its commercial potential and (b) whether the substantial cost to connect this well to a gas market can be justified. This well has been testing under approved NMOCD and BLM procedures since April 3. A summary of daily test results is attached. The well is stable, producing an average of 194 mcfpd, 63 BOPD, 12 BWPB over the past ten days. Gravity of the oil is 47.6° API at 60° F. The BTU content of the gas (wet basis at 14.73 psia) is 1345 per cubic foot. This gas is sweet with zero H<sub>2</sub>S content. The well location is several miles from the nearest house and 1 1/2 miles from the nearest public road. Using the industry standard of 6,000 mmBTU per barrel of oil, the energy equivalent of the daily oil production (378 mmBTU per day) is greater than the energy equivalent of the daily gas production (261 mmBTU per day), and therefore the well is an oil well under the provisions of NTL4A. (See continuation attached)

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Robert E. Landreth

Title Owner

Signature

Date May 16, 2003

**SUBJECT TO  
LIKE APPROVAL  
BY NMOCD**

<b>APPROVED</b>		<b>THIS SPACE FOR FEDERAL OR STATE OFFICE USE</b>	
Approved by (ORIG. SGD.) DAVID R. GLASS	APPROVED FOR 12	Date	MONTH PERIOD
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	ENDING MAY 15 2004	
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.			

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3160-5 (Continuation Attachment)

May 16, 2003

Oxy Banana Girl Federal Well No. 2

The subject well is 5.8 miles by the most direct route from a Richardson Energy Services pipeline, the nearest line capable of taking wet gas. The estimated cost to lay the line on the surface, including right of way costs, is \$73,000. At its current rate of gas and liquid production, the well is very close to the critical rate of gas flow required to lift the liquids to the surface. It is our intent to shut the well in in another three to four weeks and run a bottom hole pressure buildup analysis which will hopefully show whether there has been any depletion of reservoir pressure, how large the reservoir may be, and how much longer we can expect the well to flow. All of this is critical to the decision to connect the well to a gas market. After the first 25 days of testing, an analysis by Halliburton Energy Services indicated that only 2.5 acres of reservoir had been affected – not nearly enough to give any meaningful data. To achieve a satisfactory pressure buildup analysis, it is critical that the well continue to flow at reasonably stable rates without interruption prior to shut-in for the buildup.

We want to emphasize that we are vitally interested in selling the gas because of the potential revenue needed to help recover at least some of the extremely high cost of drilling and completing this well. We plan to submit the required forms for ROW approval to the BLM and NMOCD immediately so that time is not lost if the reservoir pressure analysis is favorable. However, this request is for authority to vent gas for at least one year, subject to review at that time.

This is the only producing well within a radius of several miles. Consequently, no economy of scale can be achieved by laying a pipeline which might benefit more than one well, where the cost of the line could be shared.