

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

HOBBS OCD  
OCD Hobbs

FORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2014

SEP 25 2013

Lease Serial No.  
NMNM 27572

6. If Indian, Allottee or Tribe Name

**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.*

RECEIVED

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well

Oil Well     Gas Well     Other

2. Name of Operator  
Marshall & Winston, Inc.

3a. Address

P. O. Box 50880, Midland, TX 79710-0880

3b. Phone No. (include area code)

432-684-6373

4. Location of Well (Footage, Sec., T. R., M., or Survey Description)  
SHL: 1140' FSL & 436' FEL, Sec. 35 (P), T19S, R33E  
BHL: 660' FSL & 330' FWL, Sec. 35 (M), T19S, R33E

7. If Unit of CA/Agreement, Name and/or No.  
Laguna Deep Unit NM70966X

8. Well Name and No.  
Laguna Deep Unit 35 Federal #2H

9. API Well No.  
30-025-40943

10. Field and Pool or Exploratory Area  
Teas; Bone Spring

11. County or Parish, State  
Lea County, New Mexico

12. CHECK THE 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 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 checked="" type="checkbox"/> Other <u>Spud, Run Csg &amp; Rel Rig.</u>
	<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 recomplete 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

- 07/04/13 Spud @ 11 AM, 07/04/13. Depth @ 791'.
- 07/08/13 Drill to 1444'. Ran 31 jts 16" 75# J-55 8rd csg. Set @ 1442'. Cmtd w/ lead 625 sx "C" + 4% PF20 + 2% PF1 + 0.25#/sk PF29 + PF46. Tail w/ 200 sx "C" Neat. Circ 60 bbl (194 sx) to surface. WOC 24 hrs.
- 07/11/13 Test casing to 500#. Cmt & shoe @ 1442'.
- 07/16/13 Drill to 3270'. Ran 79 jts 13 3/8" 72# Q-125 STL csg. Set @ 3269'. Cmtd w/ lead 1530 sx 35/65 Poz, "C" (BWOW) PF44 + 6% PF20 + 1% PF1 + .125#/sk PF29 + .25#/sk PF46 + 3#/sk PF42. Tail w/ 200 sx "C" + 0.2% PF13. Circ 60 bbls (194 sx) to surface. WOC 24 hrs.
- 07/17/13 Test csg to 2000#.
- 07/24/13 Drill to 4886'. Ran 118 jts 9 5/8" 40# N80/J55 LTC csg. Set @ 4886'. Cmtd w/1st stage 20 BFW, 162 bbl lead @ 12.9# & tail w/ 47 bbl @ 14.8#.
- 07/25/13 Pump 2nd stage cmt w/ lead 221 bbl @ 12.9# & tail w/ 24 bbl @ 14.8#. WOC 24 hrs.
- 08/03/13 Drill to 8874' KOP. Ran elec logs.
- 08/11/13 Drilled curve & landed curve @ 9757'. TVD @ 9408'.
- 09/01/13 TD @ 12385'. TD short of total projected depth due to losing fish in hole.
- 09/07/13 TD 12395'. Ran 78 jts 5 1/2" 17# P-110 Buttress csg f/ 13320-8881'. XO to 7" & ran 217 jts 7" 26# P-110 LTC csg f/ 8881' - surface. Cmtd w/lead 1825 sx CI H 50/50 + 4% Gel + .25#/sk CF + .25% DF10 @ 13.7 ppg. Tail w/ 844 sx CI H 50/50 + 4% Gel + .25#/sk CF + .25% CF10 + 2% CaCl2 @ 14.8 ppg. Cmt bridged off & top of cmt @ 5900' (verified by temp svy). Sundry for remediation cmt to follow. Rel rig @ 8 PM, 08/07/13.

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

Gabe Herrera

Title Engineer

Signature

Date 09/13/2013

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

SEP 20 2013

Date

WESLEY W. INGRAM  
PETROLEUM ENGINEER

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.

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.