

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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. NM 94864
2. Name of Operator LAYTON ENTERPRISES, INC.		6. If Indian, Allottee or Tribe Name
3a. Address 3103 79th St. Lubbock, Texas 79423	3b. Phone No. (include area code) 806/745-4638	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1880' FNL 1350' FEL Sec 1, T9S, R36E		8. Well Name and No. EL ZORRO FREMONT FED. #2
		9. API Well No. 30-025-34703
		10. Field and Pool, or Exploratory Area Allison Penn
		11. County or Parish, State Lea County, New Mexico

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 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 recomplate 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.)

Intend to convert this well to water disposal service.

The Morrow Gas Zone is not economically productive.

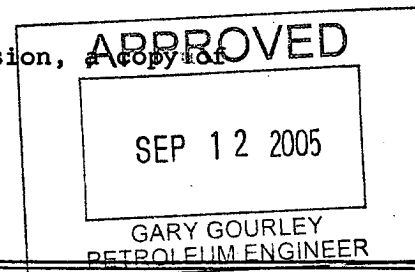
Intend to set cast iron bridge plug @ 11,700 w/5 sx cement to cover Morrow Perfs @ 11,752-60, Set C.I.B.P. @ 10,000 w/5 sx cement w/9# mud laden fluid between plugs. Perforate Bough C Zone 9602-26 @ 4/ft, treat zone w/1000 gal 15% HCl acid, Run 2 7/8 Fiberglass lined tubing w/plastic coated packer set @ 9550, Install surface facilities and begin injection.

Anticipated rates are 200 to 1000 BD at zero surface pressure.

Application has been made to New Mexico Oil Conservation Commission, a copy of which is attached.

SUBJECT TO
LIKE APPROVAL
BY NMOC

SWD-996



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

DONALD R. LAYTON

Signature

Title

President

Date

9-7-05

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, makes 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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