

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

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
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator **Horseshoe Operating, Inc.**3a. Address
110 W. Louisiana, Suite 2003b. Phone No. (include area code)
432-683-14484. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660 FSL 1980 FWL Section 19-T9S-R38E5. Lease Serial No.
LC065151

6. If Indian, Allottee or Tribe Name

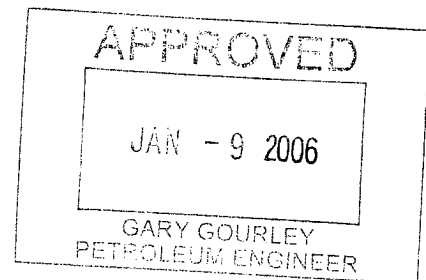
7. If Unit or CA/Agreement, Name and/or No.
NM711178. Well Name and No.
McDermott Federal #29. API Well No.
30-025-0706410. Field and Pool, or Exploratory Area
Sawyer (San Andres)11. County or Parish, State
Lea Co., NM

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>Hole in tbg</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 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.)

See attached

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

Word B Wilson

Title Vice President

Signature

Date

12/14/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Date

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 page 2)

GWW

WELL DATA SHEET

OPERATOR Horseshoe Operating/ Manhattan Petroleum, Inc. LEASE McDermott Federal WELL No. 2
 FIELD Sawyer (San Andres) KB: 3967 DF GL PBTB 5,018
 LOCATION 660 FS & 1980 FWL, Sec 19, T-9-S, R-38-E, Lat-33.51433, Long-103.09036 API # 30-025-07064 SPUD DATE 01-13-61
 COMPLETION DATE Jan, 1961 FORMATION San Andres I.P. [2/61] F 500 MCFD on 18/64 chk TD 5,020

HOLE	CSG OD	WT/ GRADE	DEPTH, ft	CEMENT — REMARKS
12-1/4	8-5/8	24#	401	300 sx neat cmt
7-7/8	4-1/2	11.60/ J55	5,018	300 sx + 4% gel, 100 sx neat + 45 gal Latex

WELL BORE DIAGRAM		FORMATION	DEPTHS		SHOWS — REMARKS
		TOPS	KB	Sub-sea	
		Redbeds			
		Salt Section			
		B/ Salt			
		Queen			
		Grayburg			
		Pi Marker			
		San Andres			Producing zone.
		EQUIPMENT INVENTORY:			

DATE	INTERVALS	WELL HISTORY	BEFORE	AFTER
01-31-61	4877 - 4900	4 shots/ ft. 10,000 gal Low-Surface Acid w/ 75 balls/ 4000 gal + 75 balls/ 7500 gal.		
2/ 61	4950 - 4966	IPF: [See above]		500 MCFD
12-07-67	4877-4966	1500 gal [M-7] converter treatment [calcium sulfate conversion to acid soluble minerals-?]		?
12-13-67	4877-4966	4000 gal acid job		?
01-26-91	4877-4966	Tallied out 158 jts 2-3/8 4.7# J55 tbg @ 4938.29', incl. SN, 4' perf sub, & 31.29' MA.		?
02-13-91	4877-4966	Treated w/ 200 gal xylene ahead of 2000 gal 15% NEFe acid @ 1.8 bpm. ISIP = 1000 psi to vac/ 10 min.		?

PROCEDURE: To repair apparent tbg leak.

1. MIRUPU. Hot-oil tbg. Hot-oil flowline, while pulling & visually inspecting rods. Have pump shopped.
2. Release TAC, strip on BOP, tag btm & strap out Look tbg over while POH, checking out TAC, SN & other BHA.
3. Replace any faulty tbg string component while TIH w/ mud anchor, SN & TAC on tbg. Strip off BOP & NU pmpg tee & rod table.
4. Run repaired pump & rods. Seat pmp, space out & hang on. Load tbg w/ water & POP. Check pump action & RDMOPU.
5. Put well on test.

REMARKS:

Prepared By: Bob Yeates
 Date: 12-07-05