

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division  
1625 N. French Dr.  
Hobbs, NM 88240

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

**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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name NM 021097A
2. Name of Operator H.L. Brown Operating L.L.C. OGRID #213179		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 300 W. Louisiana, Midland, Texas 79702	3b. Phone No. (include area code) 432 - 688 - 3726	8. Well Name and No. Federal C #2
4. Location of Well (Footage, Sec., T, R, M., or Survey Description) 1980' FSL & 1330' FWL Unit K, Sec 4, T-8-S, R-37-E		9. API Well No. 30 - 041 - 20910
		10. Field and Pool, or Exploratory Area Bluitt Wolfcamp
		11. County or Parish, State Roosevelt County, NM

**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 checked="" 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 type="checkbox"/> Water Disposal	

3. 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 recompleat 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.)

Notice of Setting Intermediate Casing.

08-06-06: Drilled 11" hole to TD at 3721' and ran a fluid caliper 120' off the bottom. Had 102% washout. TD 11" hole at 8:00 PM MST on 08/05/06 and circulated 2 hours. TOH with the drill string and LD 8" drill collars.

08-07-06: RU casing crew and ran 8-5/8", J-55, ST&C casing as follows: Float shoe, one jt 32#, float collar, 45 jts 32#, one 24# crossover jt, 44 jts 24# and one jt 32# at the surface. Ran 10 centralizers and set the casing at 3712'. Circulated two hours and RU BJ Services. Cemented with 1050 sx 35-65 POZ/"C" + 25# celloflakes + 5% salt. Tailed in with 200 sx "C" with 1% CaCl2. Circulated 123 sx and the plug was down at 3:45 p.m. CDT. Checked for flowback - plug and floats holding OK. RD BJ Services and WOC.

08-08-06: Finished NU BOP and tested to 2000 psi - OK. TIH with 7-7/8" bit #3 and washed to the top of the wiper plug. Drilled out the plug and shoe joint in 1-1/2 hours and resumed drilling new hole. RU mud loggers and started logging at 3780'. Total WOC = 18.75 hours

ACCEPTED FOR RECORD

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

Robert McNaughton

Title Operations Manager/ Petroleum Engineer

Signature

Date

8-14-06

AUG 17 2006

ALEXIS C. SWOBODA  
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Name  
(Printed/Typed)

Title

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

Date

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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