

OCD-HOBBS

Form 3160-5
(February 2005)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB 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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. C 032582B
2. Name of Operator PRIME OPERATING COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 3300 N. A., BLDG. 1-238, MIDLAND, TX 79705	3b. Phone No. (include area code) 432-682-5774	7. If Unit or CA/Agreement, Name and/or No. NMLC032582B
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FNL & 1650' FWL of Sec. 1, T-25S, R-36E Lot "C"		8. Well Name and No. WELLS B-1 #3
		9. API Well No. 30-025-25332-21460
		10. Field and Pool, or Exploratory Area JALMAT/TNS/YTS
		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 drill high angle
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	lateral in current
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	producing zone

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 must 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 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.)

1.) Set whipstock in 9 5/8" production casing on CIBP @ 2650'.

2.) Mill window in casing @ 2630'. Drill 4 3/4" hole out of window @ kickoff point of 2630'. Drill curve section. Pickup lateral drilling assembly and drill +/- 1500' long lateral section starting @ 2727' TVD and ending @ 2980' TVD, per Multi Shot Directional well plan attached.

3. Acidize open hole lateral and place well on production.

SUBJECT TO LIKE APPROVAL BY STATE *CD**NSP-1056C (4) (SD)*

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) CANDY LYLE		Title ENG. ASST./PRODUCTION
Signature <i>Candy Lyle</i>	Date 3/6/06	

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 <i>Rel. Eng.</i>	Date MAR 08 2006
Office CARLSBAD FIELD 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)

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