Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM 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.

5. Lease Serial No.
LC-032233-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other

8. Well Name and No.
Bowers A Federal #39

2. Name of Operator
Texland Petroleum-Hobbs, LLC

9. API Well No.
30-025-35727

3a. Address
777 Main St, Ste 3200
Fort Worth, TX 76102

3b. Phone No. *(include area code)*
817-336-2751

10. Field and Pool, or Exploratory Area
Hobbs, Upper Blinebry

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec. 29, T18S, R38E
Unit J, 2505 FSl & 1415 FEL

11. County or Parish, State
Lea Co., NM

Received
NOV 2006
Hobbs OCD

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Pressure Increase
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

Texland Petroleum-Hobbs, LLC request the minimum surface rate injection pressure for the referenced injection well, located in the Hobbs Upper Blinebry Cooperative Waterflood Area, be increased. Please find attached A Step Rate test performed on 10/4/06

1654 PSIG
IPI-276

SUBJECT TO LIKE APPROVAL BY STATE

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

Title Production Analyst

Signature Vickie Smith

Date 10/24/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved by

Title

Date NOV 16 2006

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

WESLEY W. INGRAM
PETROLEUM ENGINEER

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)

Bowers A Federal

Step Rate Test Results

Bowers A Federal 39

(Tested 10/4/2006)

Rate (bpd)	Surface P (psi)
50.4	630
103.2	787
201.6	1067
348	1482
520.8	1841
698.4	2118

Bowers A Federal 43

(Tested 10/6/2006)

Rate (bpd)	Surface P (psi)
48	616
96	1021
201.6	1476
355.2	1670
504	1769
708	1840

Bowers A Federal 42

(Tested 10/5/2006)

Rate (bpd)	Surface P (psi)
55.2	650
105.6	928
211.2	1266
362.4	1575
506.4	1651
710.4	1713

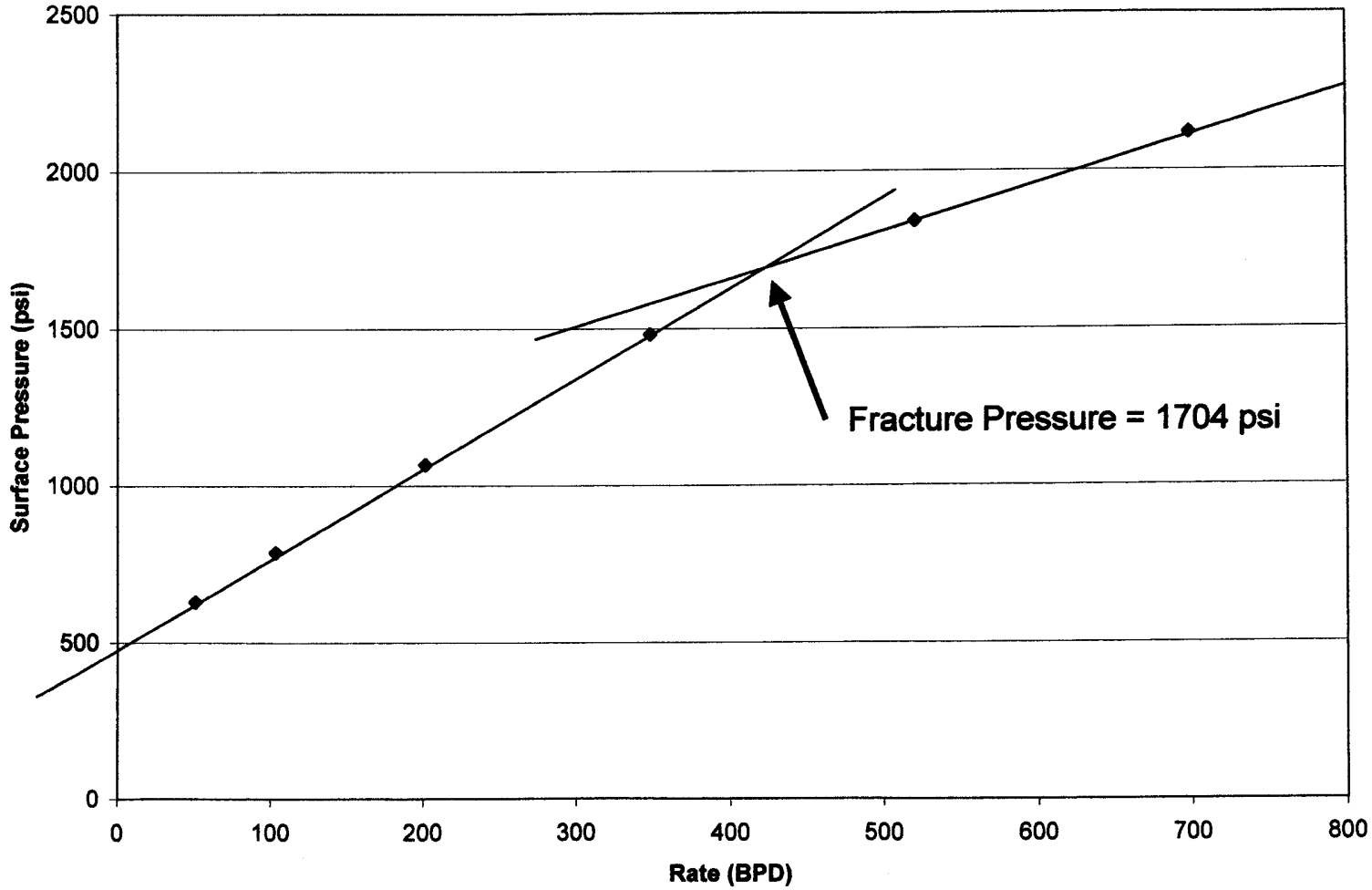
Comparison of Pressures over Time

	Test Date	1/29/2003	10/4/2006
Bowers A Federal 39	Parting Pressure	1464	1704
	Static SIBHP	2811	3100
	Test Date	1/31/2003	10/5/2006
Bowers A Federal 42	Parting Pressure	1171	1570
	Static SIBHP	2300	2877
	Test Date	2/1/2003	10/6/2006
Bowers A Federal 43	Parting Pressure	1184	1617
	Static SIBHP	2704	2908

Bowers A Federal #39

Step Rate Test

Tested 10/04/2006



Bowers 39: Falloff and Step Rate Test

10/2/2006 Installed digital pressure recorder on tbg. Well injecting at 175 BPD rate, 1413 psia. Shut off injection at 4:35 pm. for overnight pressure falloff.

10/3/2006 8:30 AM Tbg press 617 psia. Start step rate test, after 3 complete stages the injection pump developed a leak and shut down. Will attempt to run step rate test tomorrow AM. At 5:07 PM, injection rate 150 bpd, 1097 psia. Shut off injection for overnight pressure falloff.

10/4/2006 8:30 am tbg pressure-489 psia. MIRU Pate Trucking HPPT, NU to injection meter run. Pump step rate test as follows:

TIME	EVENT	AVG RATE	PRESSURE	MTR READING
8:30 am	Begin 1st step	50.4 bpd	489 psia	63459.3
9:30 am	Begin 2nd step	103.2 bpd	630 psia	63461.4
10:30 am	Begin 3rd step	201.6 bpd	787 psia	63465.7
11:30 am	Begin 4th step	348 bpd	1067 psia	63474.1
12:30 am	Begin 5th step	520.8 bpd	1482 psia	63488.6
1:30 pm	Begin 6th step	698.4 bpd	1841 psia	63510.3
2:30 pm	End Test		2118 psia	63539.4

ND Pate HPPT. NU injection flow line, return well to normal injection

Cost: HPPT 800
End Report.