

Oil Cons
N.M. DIV-Dist. 2
301 W. Grand Avenue
Albuquerque, NM 88210
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 53388
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) 760' FSL 560' FEL Sec 24, T8S, R36E		8. Well Name and No. EL ZORRO B FEDERAL #1
		9. API Well No. 30-041-20815
		10. Field and Pool, or Exploratory Area Allison Penn
		11. County or Parish, State Roosevelt County, New Mexico

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 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 checked="" 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 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.)

This well is no longer economic to produce from the Bough C Penn Zone.

Intend to set C.I. Bridge Plug above Bough C perfs @9598 -9626
w/5 sks cement on top (52').

Will then test San Andres Zones from 4800' to 5300' as indicated by geological
and Log Data by perforating, treating, & testing selectively. Blowout
preventer program will include 3000 PSI Double Ram Preventor.

If production is indicated, will construct gathering facilities and place
on production.

Set CIBP @ \approx 9540' \pm 50' above the upper most part.
Set 150' plug from 7600' - 7650'

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

DONALD R. LAYTON

Title President

Signature

Date 2-27-2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title PL

Date 3/6/03

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 RFO