

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 type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | | 5. Lease Serial No. NM55149 |
| 2. Name of Operator Saga Petroleum LLC | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 415 W. Wall, Suite 1900, Midland, TX | 3b. Phone No. (include area code) (915)684-4293 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 1980' FWL Sec 9 (K), T18S, R33E | | 8. Well Name and No. Central Corbin Queen Unit #404 |
| | | 9. API Well No. 30-025-29739 |
| | | 10. Field and Pool, or Exploratory Area Corbin Queen |
| | | 11. County or Parish, State Lea 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 type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other add perfs |
| | <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 recompleate horizontally, give subsurface locations 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 recompleation 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.)

10-4-2002 NDWH, release pkr, NU BOP, POOH w/injection tbg, PU 4-3/4" bit & TIH to 4170', clean out to PBTD 4310', circ clean, POOH

10-5 Open well- no pressure on well. MIRU PDI Wireline Trk. RIH & Ran GR/CCL from 4282' - 3750'. Correlated depth w/ open hole logs dated 9-3-86. RIH w/ 4" OD HRS perf gun. Tagged up @ 4279'. Perf'd 4250'-52' w/ 2 JSPF (total 6 holes) could not perf 4280'-82'. Could not get past 4279' w/ perf gun. POH & RD perforators. RIH w/ HCR compression pkr & WS. Set pkr @ 4133'. RU Cudd Acidizers. Pressure up on annulus to 300 psi. Test'd good. Establish inj rate into perfs @ 2.2 bpm @ 2000 psi w/10 BW. Acidize well w/ 2500 gal 15% 90/10 Aidtrol & 60 RCN 7/8" ball sealers. Max Press - 3000 psi @ max rate - 3.1 BPM, Avg Rate - 3 BPM. Had 150 psi ball action. Flush to btm perf w/ FW. ISIP - 2500 psi, 5 mins 2398 psi, 10 min 2346 psi, 15 min 2287 psi. RD Cudd. Hook up wellhead & return well to inj.

10-6 Injected 411 BW @ 1875 psi

10-8 Injected 164 BW @ 1750 psi - NDWH. Blew well dn to pit. RIs pkr & POOH & LD workstring. PU AD-1 IPC pkr & RIH w/ inj tbg. Set pkr @ 4162'. Circ pkr FL. NUWH & tested good. Press up to 560 psi - held for 30 mins - good test. Called OCD - did not witness - Original chart to Hobbs OCD w/copy form
Original form to Roswell w/copy chart on back of form - Copy form/chart to Carlsbad BLM

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

Title
Production Analyst

Signature

Bonnie Husband

Date
10/09/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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
OFFICE REPRESENTATIVE/STAFF MANAGER

NOV - 1 2002

Title 18 U.S.C. Section 1001, makes 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 reverse)

