RECEIVED! FORM APPROVED .TED STATES Form 3160-5 Budget Bureau No. 1804-0135 June 1990) DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT 196 5. Lesse Designation and Seriai No. LC-069276 SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT—" for such proposals 6. If Indian, Allonee or Tribe Name 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well 8. Well Name and No. Well Gas **HUDSON 31 FEDERAL #2** 2. Name of Operator 9. API Well No. BASIN OPERATING COMPANY 30-025-32829 3 Address and Telephone No. 10 Field and Poni, or Exploratory Area SUITE 648 PETROLEUM BUILDING, ROSWELL NM 88201 Corbin, S Bone Spring 4 Location of Well (Foruge, Sec., T., R., M., or Survey Description) II. County or Parish, State 31-T18S-R33E, 790 FWL, 999 FNL Lea, New Mexico CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION X Notice of Intent New Consumerion Non-Routine Fracturing Plugging Back Conversion to Injection Dispose Water ned date of starting any proposed work. If well is directionally drilled, 13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including em surface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\* Well shut in. 1/31/96 well was producing 16 BOPD + 147 BWPD from 9938 - 10065. Set CIBP at 9800. Perforate 4 spf at 8900 and 8725. Squeeze cement. Perforate 4 spf at 8545, squeeze cement. Perforate 1st BSP sandstone 8660-70 w 21 holes. Acidize and frac if warranted. Perforate BSP Upper sandstone 7424-7432 w 13 holes. Acidize and frac if warrented. Retrive RBP. Flow/pump well from 7424-8670 in Bone Spring formation. Title John Worrall, President Orig. Signed by Shannon J. Shaw PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to a

naise to any department or agency of the United States any false, fictitious or fraudulent state