Form 3160-5 (August 1999)

UNITED STATES

N.M. Oil Cons. Division 1625 N. Freuch Dr.

FORM APPROVED OMB No. 1004-0135 Expires November 30, 2000

Hobbs, NM 88240 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Lease Serial No. NMLC064118 SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well Well Name and No. 🛛 Oil Well 🔲 Gas Well 🔲 Other E C Hill B Fed #5 Name of Operator API Well No. Saga Petroleum LLC 30-025-10944 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory Area (915)684-4293 415 West Wall, Suite 1900, Midland, TX 79701 South Teague Abo Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 990' FNL & 1655' FEL Lea Sec. 34 (B) - T23S- R37E NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Water Shut-Off Production (Start/ Resume) Deepen Acidize Notice of Intent Well Integrity Reclamation Fracture Treat Alter Casing Other Reactivate Recomplete New Construction Subsequent Report Casing Repair Temporarily Abandon Plug and Abandon Change Plans Final Abandonment Notice Water Disposal Plug Back Convert to Injection 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 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.) Reference is made to BLM Hobbs Inspection Office - NonCompliance Number AJM-003-02 (fax copy to Hobbs) Open up well, ND WH, POOH w/112 jts 2-3/8" tbg, Btm 185' tbg full of scale & holes. Tbg appears to be parted above upset. GIH w/tbg, POOH & LD tbg, flange up WH. RD P&A equip. 4-30 Tally Hydrill tbg in hole w/OS & bumper sub to 3545', attempt to catch fish, POOH w/partial fish, had pin upset & 2" of tbg body, should have been a collar. 5-01 PU OS for upset 2-3/8" tbg & bumper sub, RIH w/WS, catch fish, POOH w/tbg, had 29' of tbg fish looking up, should be 2' partial upset collar. RIH for collar, no bite, POOH w/tbg. RIH, attempt for upset, no bite, POOH w/tbg. Close BOP. 5-02 RIH w/Hydrill pipe, POOH, LD, stacked & racked all good tbg, move Hydrill off location. Close BOP 5-03 RU Tbg Testers, tally pipe in hole, test 7000 psi below slips to 2495', used all tbg that originally came out of well, bust 3 jts, remainder test ok. ND BOP, build wellhead 5-04 PU repaired pump & RIH w/rods, hang on, LS till pump up (took 18 strokes), press to 500 psi, 4 SPM.

Will pump test well instead of P&A as had show of oil while performing workover		ACCEPTED FOR RECORD	
14. Thereby certify that the foregoing is true and correct Name (Printed/Typed) Bonnie Husband	Title Production Analyst	AUG 2 2 2002	
Signature Sustand	Date 05/08/2002	GARY GOURLEY PETROLEUM ENGINEER	
THIS SPAC	E FOR FEDERAL OR STATE OFFICE US	E	
Approved by	Title	Date	

Office

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 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.

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BECEINED