

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division
1625 N. French Dr.
Hobbs, NM 88240
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	6. If Indian, Allottee or Tribe Name
2. Name of Operator Sahara Operating Company	7. If Unit or CA/Agreement, Name and/or No.
3a. Address P.O. Box 4130, Midland, TX 79704	8. Well Name and No. Spencer Federal 5 #1
3b. Phone No. (include area code) 915/697-0967	9. API Well No. 30-025 -35390
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit Letter M, 478' FSL & 680' FWL, Section 5, T-25-S; R-32-E	10. Field and Pool, or Exploratory Area Paduca Delaware
	11. County or Parish, State Lea county, N.M.

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

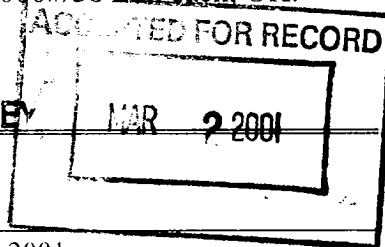
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treatment	<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 _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Spud well, surf csg.
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	cnt, BOP test

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 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 file 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.)

- 2/24/01 MIRU Rod Ric Rig #9. Notified BLM of intent to spud. Spudded well @ 9:00 AM, 2-24-01
2/26/01 Drilled to surface casing depth. Notified BLM of casing & cement job. Set 21 joints 8-5/8", 24.0 #/ft, K-55 new casing @ 735' & cemented w/260 sx 35:65:6 w/1/4 #/sk celloflake & 2% CaCl2, tailed w/200 sx Cl C w/2% CaCl2. Circ 45 sx to pit. Job witnessed by Ms. Patricia Hutchings, BLM Hobbs.
2/27/01 Fin NU BOP. Notified BLM of BOP tests. Tested blind rams to 1000#/30 min OK, TIH w/drill string, tested pipe rams, annular BOP, & choke manifold to 1000#/30 min each. OK.

Note : NMOCD assigned API number as above, Property No. 27330

(ORIG. SGD.) GARY GOURLEY



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

Robert McAlpine

Title President

Signature

Date

February 28, 2001

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

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.

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MAR 2 1971
U.S. DEPARTMENT OF AGRICULTURE

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WASHINGTON, D.C. 20250