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Form 3160-5 (March 2012)UNITED STATESOCD ArtesiaDEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT				FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2014 5. Lease Serial No.			
Do not use this	IOTICES AND REPOR form for proposals to Use Form 3160-3 (API	drill or to re-enter an	6. If	Indian, Allottee or	Tribe Name	•	
SUBMI	TIN TRIPLICATE - Other in		7. If	Unit of CA/Agreen	ient, Name and/or	No.	
1. Type of Well (on ver ++5)				Vell Name and No.			
2. Name of Operator			19 A	9. API Well No.			
Ba Address 32. Address 32. Address 33. Phone No. (include area code)				30-015-29165 10. Field and Pool or Exploratory Area			
P.O. Box 4 Loco Hills A.A. 84255 575-677-2370 4. Location of Well (Footage, Sec., I., R., M., or Survey Description)				Wolfcamp Ganyon Sup 11. County or Parish, State			
1870' FAL 4860' F	FEL Sec. 10-	T185-R282	٤	ddy Count	Ly, New	Mexico	
12. CHE(CK THE APPROPRIATE BOX(ES) TO INDICATE NATURE	OF NOTICE, R	EPORT OR OTHER	RDATA	<u>.</u>	
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent		Deepen		1 (Start/Resume)	Water Shut-C	•	
						forate Acidiz	
Subsequent Report	Change Plans	Phug and Abandon	Temporari	ly Abandon		SWD-1383	
Final Abandonment Notice	Convert to Injection	Plug Back	Water Dis	·	· · · · · · · · · · · · · · · · · · ·		
the proposal is to deepen direction Attach the Bond under which the v following completion of the involv testing has been completed. Final determined that the site is ready fo	work will be performed or provid ed operations. If the operation Abandonment Notices must be f r final inspection.)	le the Bond No. on file with BL results in a multiple completion filed only after all requirements,	M/BIA. Requir or recompletion including recla	red subsequent report n in a new interval, a mation, have been c	ts must be filed wi Form 3160-4 mus ompleted and the o	thin 30 days t be filed once	
SUBJECT TO LI APPROVAL BY See 444	cheol CO	NOT AUTHOR , WITH & PACE NOTIONS, STA E ATTACHED FO NDITIONS OF A	R JUR		- DEC	EIVED 0 6 2013 ARTESIA	
					Cepted for NMOCI	100010	
14. Thereby certify that the foregoing is t	rue and correct. Name (Printed/T		ostelle			•	
I Seve Mo	pe	Title 1	w/Kee	per			
Signaure Qui	plane	Date 12	2/13			RAVED	
	THIS SPACE FO	OR FEDERAL OR STA	TE OFFICE	USE			
Approved by	· · · · · · · · · · · · · · · · · · ·	Title	· · · ·	Da	Te DEC	5 2013	
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 office entitle the applicant to conduct operations thereon.					BUREAU OF L	AND MANAGEMENT	
Title 18 U.S.C. Section 1001 and Title 43 fictitious or fraudulent statements or repre-			willfully to mak	te to any department (or agency of the Whi	168 BEALD AIG FAIGE	

(Instructions on page 2)

FIREWEED 10 FEDERAL # 1 SWD

RAY WESTALL OPERATING, INC. PLANS TO PERFORATE AND ACIDIZE WELL TO CONVERT TO SWD.

PERFS:

7727' – 7769'	80 HOLES
7828' – 7880'	78 HOLES
7942' – 7948'	24 HOLES
8082' - 8160'	48 HOLES
8425' – 8435'	40 HOLES
8575' – 8580'	20 HOLES
8723' – 8866'	ALREADY PERFORATED AND WILL BE USED
8885' – 9008'	164 HOLES
9072' – 9190'	172 HOLES

WELL WILL BE ACIDIZED WITH 20,000 GALLONS 20% HCL ACID @ 4-5 BPM CONTAINING ONLY CORROSION INHIBITOR.

WELL WILL BE EVALUATED.

IF ECONOMICAL, I.P.C TBG WILL BE RAN TO APPROXIMATELY 7630' (WITHIN 100' OF UPPER MOST PERFORATIONS)

PACKER WILL BE SET AT APPROXIMATELY 7630', PUMP INERT ANNULUS FLUID.

NOTIFY BLM AND OCD TO WITNESS M.I.T.

PREPARE WELLHEAD AND SURFACE EQUIPMENT FOR DISPOSAL OPERATION.

COMPLETION WILL COMMENCE AS SOON AS ALL PLUGS ARE DRILLED OUT, WHICH WILL TAKE ABOUT 2 OR 3 WEEKS FROM STARTING WORKOVER.

Conditions of Approval

Ray Westall Operating Inc. Fireweed 10 Fed SWD 1 API 3001529165,

December 5, 2013

 Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 4000' or below to top of cement. The CBL may be attached to a <u>pswartz@blm.gov</u> email. The CFO BLM on call engineer may be reached at 575-706-2779.

Well with a Packer - Operations

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less-than five barrels in 30 days witnessed by a BLM authorized officer.
- 3) Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
- 4) Make arrangements 24 hours before the test for BLM to witness. In Eddy County email Paul R. Swartz <u>pswartz@blm.gov</u> or phone 575-200-7902, if there is no response, 575-361-2822. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
- 5) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
- 6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
- 7) Submit the original subsequent sundry with three copies to BLM Carlsbad.

- 8) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
 - a) Approved injection pressure compliance is required.
 - b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
 - c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
- 9) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
- 10) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
- 11) Maintain the annulus full of packer fluid at atmospheric pressure. Installation of equipment that will display continuous open to the air packer fluid level above the casing vent is required for this disposal well.
- 12) Notify the BLM's authorized officer ("Paul R. Swartz" <<u>pswartz@blm.gov></u>, cell phone 575-200-7902) <u>on or before 2/05/2014</u> to arrange for approval of the annular monitoring system.
- 13) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
- 14) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
- 15) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0 psia. Notify the BLM's authorized officer ("Paul R. Swartz" <<u>pswartz@blm.gov></u>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
- 16) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry. List daily descriptions of any previously unreported wellbore workover(s) and reason(s) the well annular fluid was replaced.

CRW 120513

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.