NM OIL CONS COMMISSION Form 3160-5 UNITED STATES FORM APPROVED (June 1990) DEPARTMENT OF THE INTERIOBrawer DD Budget Bureau No. 1004-0135 BUREAU OF LAND MANAGEMENTITESIA, NM 88210 Expires: March 31, 1993 5. Lease Designation and Serial No. NM10190 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allonee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different veservoir. Use "APPLICATION FOR PERMIT—" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 14-08-001-11572 10/27/91 I. Type of Well Oil Well Other 8. Well Name and No. 2. Name of Operator East Shugart Unit #12 ARTESIA, OFFICE Devon Energy Corporation (Nevada) 9. API Well No. 3. Address and Telephone No. 30-015-05694 20 N. Broadway, Suite 100, OKC, OK 73102-8260 405/235-3611 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Shugart (Y-SR-Q-G) 11. County or Parish, State 2310' FNL & 990' FWL, Sec. 35-T18S-R31E, Unit E Eddy, NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent run integrity test 13. Describe Proposed or Completed Operations (Clearly see give subsurface locations and measured and true vertical depths for all markers and 200 (1) Rig up pump truck on casing. Load casing with water and pressure test to 500 psi for 30 mins (2) The BLM will be notified 24 hours prior to testing. Candace R. Graham Engineering Tech. (This space for Federal or State office use) Stig. Eigrad by Adam Salameh Politicismu. Engineer Conditions of approval, if any: - ATTACHED. Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to a or representations as to any matter within its jurisdiction ent or agency of the United States any false, fictitious or fraudule

(Rev. 5/23/94)

BUREAU OF LAND MANAGEMENT CARLSBAD RESOURCE AREA

Temporary Abandonment of Wells on Federal Lands

Conditions of Approval

According to 43 CFR 3162.3-4-c, "No well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer".

Temporary Abandonment (TA) status approval requires a successful casing integrity test as follows:

- 1. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County call (505) 887-6544; for wells in Lea County call (505) 393-3612.
- 2. A bridge plug or packer shall be set at a maximum of 50 feet above any open perforations or open hole.
- 3. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
- 4. The production casing shall be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leak-off.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for 12 months provided that the operator:

- Submits a subsequent Sundry Notice requesting TA approval,
- 2. Attaches a clear copy or the original of the pressure test chart,
- 3. And attaches a detailed justification why the well should not be plugged and abandoned.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

- A procedure to repair the casing so that a TA approval can be granted.
- 2. A procedure to plug and abandon the well.