

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: March 28th, 2014

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Recomplete/DHC
☐ Location Change ☐ Other:

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-21600-00-00	APACHE HILLS	003	SHORELINE OIL & GAS COMPANY	G	A	Rio Arriba	I	P	7	23	N	3	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Provide CBL to agencies for review prior to cementing

NMOCD Approved by Signature

4/3/14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 28 2014

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter and manage an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
SHORELINE OIL & GAS COMPANY3a. Address
PO BOX 3470, FARMINGTON3b. Phone No. (include area code)
505-327-69084. Location of Well (Footage, Sec., T., R., M., or Survey Description)
900' FSL & 790' FEL sec. 7 T. 23N. R 3W

5. Lease Serial No.

JICARILLA CONTRACT 396

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

APACHE HILLS #3

9. API Well No.

30-039-21600

10. Field and Pool, or Exploratory Area

BALLARD PICTURED CLIFFS

11. County or Parish, State

RIO ARRIBA, NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat 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.)

SHORELINE OIL & GAS COMPANY, HAS BEEN IN CONTACT WITH A-PLUS WELL SERVICES. I HAVE ATTACHED THE PLUGGING PRODUCER TO THIS SUNDRY REPORT. I SPOKE WITH MR. CLARK THIS MORNING AND HE STATED THEY MAY HAVE A RIG AVAILABLE ON WEDNESDAY APRIL 2ND, 2014. IF THIS IS THE CASE IT WOULD SAVE SHORELINE TRAVEL TIME FOR THE RIG AND EQUIPMENT.

PLEASE SEE ATTACHED PLUGGING PROCEDURES.

RCVD APR 2 '14
OIL CONS. DIV.

DIST. 3

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

TERESA D McCOWN

Title PRESIDENT

Signature

Teresa D McCOWN

Date

3-28-2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Original Signed: Stephen Mason
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

Date

APR 01 2014

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.

(Instructions on page 2)

NMOCDAV

PLUG AND ABANDONMENT PROCEDURE

January 28, 2014

Apache Hills #3

So. Blanco Pictured Cliffs Ext.

800' FSL, 1550' FEL, Section 10, T24N, R3W, Rio Arriba County, New Mexico

API 30-039-21600 / Long _____ / Lat: _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
2. Rods: Yes _____, No X, Unknown _____.
Tubing: Yes X, No _____, Unknown _____, Size 1-1/4", Length 3328'.
Packer: Yes _____, No X, Unknown _____, Type _____.

If this well has rods or a packer, then modify the work sequence in step #2 as appropriate. Note: Will need to pick up tubing workstring. Round trip 4.5" gauge ring or casing scraper to 3272' or as deep as possible.

NOTE: BLM requires a CBL log to be run on all wells where the cement did not circulate to surface or where a T.S. or CBL log was not previously run. This procedure is prepared with the understanding that it may be modified based on the TOC from the CBL.

3. **Plug #1 (Pictured Cliffs interval, Fruitland, Kirtland and Ojo Alamo tops, 3272' – ²⁹⁸⁶2840')**: PU and TIH with 4.5" cement retainer, set at 3272'. Pressure test tubing to 1000 PSI. *Pressure test casing to 800 PSI. If casing does not test, then spot or tag subsequent plug as appropriate.* Mix and pump ~~27~~ sxs Class B cement above CR to isolate the Pictured Cliffs interval and cover the Fruitland and Ojo Alamo tops. PUH.
4. **Plug #2 (Nacimiento top, ¹⁶⁹⁸1356' – ¹⁵⁹⁸1256')**: Perforate squeeze holes at ¹⁶⁹⁸1356'. Attempt to establish rate if the casing pressure tested. Set 4.5" cement retainer at ¹⁶⁹⁸1306'. Establish rate into squeeze holes. Mix and pump 51 sxs Class B cement, squeeze 39 sxs outside 4.5" casing and leave 12 sxs inside casing to cover the Nacimiento top. TOH and LD tubing.
5. **Plug #3 (8-5/8" surface casing shoe, 178' - Surface)**: Perforate squeeze holes at 178'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 65 sxs Class B cement and pump down the 4.5" casing to circulate good cement out bradenhead. Shut in well and WOC.
6. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Apache Hills #3

Current

Wildcat

990' FSL, 790' FWL, Section 7, T-23-N, R-3-W,

Rio Arriba County, NM / API #30-039-21600

Lat _____ / Long _____

Today's Date: 1/28/14

Spud: 2/20/78

Completed: 5/15/78

Elevation: 7558' KB

12-1/4" hole

8-5/8", 24#, J-55 Casing set @ 128'
Cement with 100 sxs (Circulated to Surface)

Nacimiento @ 1306' *est

1-1/4" tubing at 3328'

TOC @ 2626' (Calc, 75%)

Ojo Alamo @ 2890'

Kirtland @ 3010'

Fruitland @ 3185'

Pictured Cliffs @ 3280'

Pictured Cliffs Perforations:
3322' - 3342'

7-7/8" hole

4.5", 10.5#, casing set at 3403"
Cement with 200 sxs

TD 3427'
PBD 3371'

Apache Hills #3

Proposed P&A

Wildcat

990' FSL, 790' FWL, Section 7, T-23-N, R-3-W,

Rio Arriba County, NM / API #30-039-21600

Lat _____ / Long _____

Today's Date: 1/28/14

Spud: 2/20/78

Completed: 5/15/78

Elevation: 7558' KB

12-1/4" hole

Nacimiento @ 1306' *est

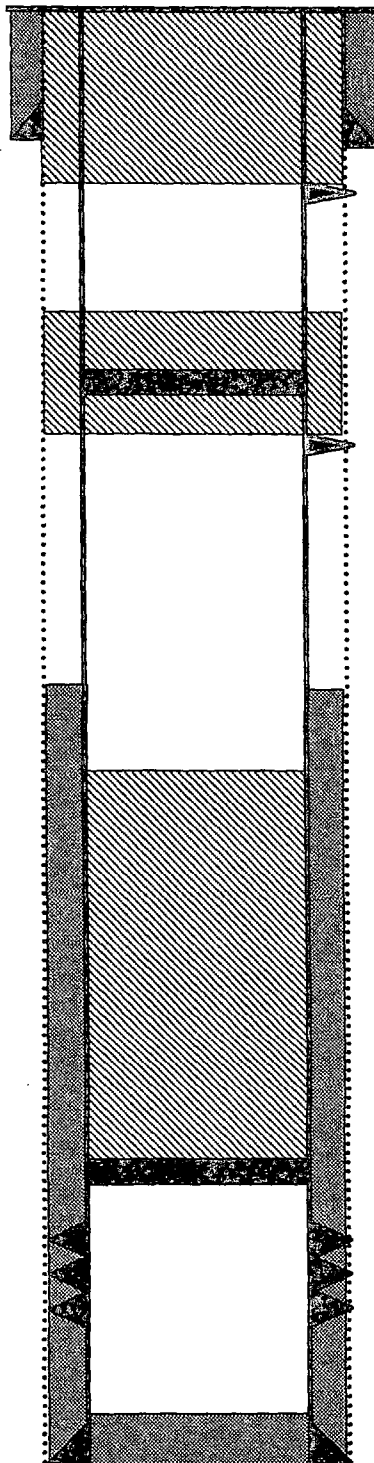
Ojo Alamo @ 2890'

Kirtland @ 3010'

Fruitland @ 3185'

Pictured Cliffs @ 3280'

7-7/8" hole



8-5/8", 24#, J-55 Casing set @ 128'
Cement with 100 sxs (Circulated to Surface)

Perforate @ 178' Plug #3: 178' - 0'
Class B cement, 65 sxs

Plug #2: 1356' - 1256'
Class B cement, 51 sxs
Set CR @ 1306' 12 sxs inside and 39 sxs
outside
Perforate @ 1356'

TOC @ 2626' (Calc, 75%)

Plug #1: 3272' - 2840'
Class B cement, 37 sxs

Set CR @ 3272'

Pictured Cliffs Perforations:
3322' - 3342'

4.5", 10.5#, casing set at 3403'
Cement with 200 sxs

TD 3427'
PBTD 3371'