

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD  
Artesia

FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

**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 page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM15015
2. Name of Operator Cano Petro of New Mexico		6. If Indian, Allottee or Tribe Name
3a. Address PO Box 4470 Tulsa, Ok 74159	3b. Phone No. (include area code) (918) 582-0088	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SSWS 28-7S-31E		8. Well Name and No. Oakson Federal #1
		9. API Well No. 3000520698
		10. Field and Pool or Exploratory Area Cato San Andres
		11. Country or Parish, State Chaves, NM

12. CHECK THE 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"/> Hydraulic Fracturing	<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 type="checkbox"/> Plug and Abandon	<input checked="" 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

Cano Petro of New Mexico received written order #01INCKB17 on April 24, 2017. We are requesting approval to put this well into temporarily abandoned status, this request is based on long term value of the wellbore.

This well has not produced since 2003.  
If well is not put back online within 6 months.  
Operator must submit NOI to plug the well.

NM OIL CONSERVATION  
ARTESIA DISTRICT

JUN 05 2017

RECEIVED

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

RECEIVED  
2017 MAY 21 A 9:46  
BUREAU OF LAND MGMT  
ROSWELL OFFICE

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Richard Harris	Director E&P Title
Signature <i>[Signature]</i>	Date <i>May 15, 2017</i>

**THE 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.

(Instructions on page 2)

*MSSB/OCB  
6/22/2017*

**APPROVED**  
**JUN 1 2017**  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE



## OPERATOR COPY

Number 01INCKB17

Page of

<input checked="" type="checkbox"/> Certified Mail - Return Receipt Requested 70121010000232372591
<input type="checkbox"/> Hand Delivered Received by

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification
ID
Lease NMNM15015
CA
Unit
PA

Bureau of Land Management Office ROSWELL FIELD OFFICE				Operator CANO PETRO OF NEW MEXICO INC			
Address 2909 W. SECOND ST. ROSWELL NM 88201				Address P.O. BOX 4470 TULSA OK 74159-0470			
Telephone 505-627-0229				Attention			
Inspector BUSSELL				Attn Addr			
Site Name OAKSON FEDERAL	Well Facility/FMP 1	1/4 1/4 Section SWSW 28	Township 7S	Range 31E	Meridian NMP	County CHAVES	State NM
Site Name	Well Facility/FMP	1/4 1/4 Section	Township	Range	Meridian	County	State

## THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
04/01/2017	08:00	43 CFR 3162.3-4(c)	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
05/23/2017			43 CFR 3163.1()

## Remarks

The above referenced well was inspected on April 12, 2017 by BLM (Petroleum Engineer Technician). Kevin Bussell. The following well is currently shut-in and / or not capable of producing in their present state; therefore considered Temporarily Abandoned (TA) without approval.

(Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address.

Company Representative Title Director EBOSignature [Signature]Date 5/15/2017

Company Comments

## WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

## REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <u>[Signature]</u>		Date <u>4/12/17</u>	Time <u>1430</u>
Number 51	Date	Assessment 96 6 A 12 1A 1102	Penalty
Type of Inspection PI			Termination

RECEIVED

BUREAU OF LAND MANAGEMENT  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201  
575-627-0272

**Temporary Abandonment of Wells on Federal Lands**  
**Conditions of Approval for a period of 6 months ending 12/01/2017**

A temporary abandoned well is defined as a completion that is not capable of production in paying quantities but may have value as a service well. Pursuant 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. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
  - A. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. CIBP must be capped with minimum 25 sacks cement, placed with tubing, or 35 feet of cement if placed with bailer. The top of the cement must be verified by tagging.
  - B. The wellbore must 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 leakoff.
  - C. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
  - D. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
  - E. Contact the BLM Roswell Field Office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status up to 12 months.

1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
2. Attaches a clear copy of the original pressure test chart.
3. Provided justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.
4. Describes the temporary abandonment procedure.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative.

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:

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