

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs **HOBBS** **OCD**

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

DEC 19 2012

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. NM0149957
2. Name of Operator MANZANO, LLC		6. If Indian, Allottee or Tribe Name
3a. Address PO BOX 2107, ROSWELL, NM 88202	3b. Phone No. (include area code) 575-623-1996	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 810 FNL & 2310 FEL SEC 18-T20S-R33E		8. Well Name and No. GREEN FROG CAFE FED 1H
		9. API Well No. 30-025-40828
		10. Field and Pool or Exploratory Area SALT LAKE BONE SPRINGS
		11. Country or Parish, State LEA, 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 checked="" 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 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	

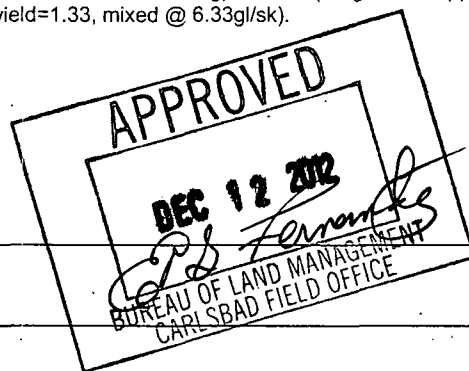
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 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 determined that the site is ready for final inspection.)

12/11/12 Drilling 17 1/2" hole in salt section. Hit water flow at 2187', flowing 600-700 bph. Due to this water flow and the adjacent injection wells that are injecting into the Yates formation between 2950' and 3050', we propose to set the 13 3/8" casing at 3100' instead of 2775'. This will insure that the water flow is isolated from the Capitan Reef. Lead cement will be increased from 1450 sx to 1600 sx if the casing is cemented in a single stage.

If the water flow is still present, the contingency plan would be to cement the 13 3/8" in 2 stages utilizing a DV tool set between 1900'-2100' with an external casing packer. Cement the 1st stage with 700 sx 35:65 POZ Class C cement + 4% bentonite + 5#/sk LCM-1 + 0.125#/sk Cello-Flake + 1% sodium metasilicate + 5% MPA-5 + 0.1% FL-52A + 0.005gps FP-6L (weight=12.50ppg, yield=2.02, mixed @ 10.59gl/sk), Tail in w/400sx Class C cement + 0.005gps FP-6L (weight=14.80ppg, yield=1.33, mixed @ 6.33gl/sk). Open the DV tool, set the casing packer and cement the 2nd stage with 700 sx 35:65 POZ Class C cement + 4% bentonite + 5#/sk LCM-1 + 0.125#/sk Cello-Flake + 1% sodium metasilicate + 5% MPA-5 + 0.1% FL-52A + 0.005gps FP-6L (weight=12.50ppg, yield=2.02, mixed @ 10.59gl/sk), Tail in w/200sx Class C cement + 0.005gps FP-6L (weight=14.80ppg, yield=1.33, mixed @ 6.33gl/sk).

Final cement volumes will be based on a fluid caliper.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) PAUL RAGSDALE		Title ENGINEER
Signature <i>Paul Ragdale</i>		Date 12/12/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Petroleum Engineer	Date DEC 19 2012
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 <i>KZ</i>

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.

CONDITIONS OF APPROVAL

Sundry dated 12/12/12

OPERATOR'S NAME:	MANZANO, LLC
WELL NAME & NO.:	1H-GREEN FROG CAFÉ FEDERAL 30-025-40828
LOCATION:	Section 18, T. 20 S., R. 33 E., NMPM
COUNTY:	Lea County, New Mexico

Original COA still applies with the following changes:

R-111-P Potash

- a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 13-3/8 inch intermediate casing **which shall be set at approximately 3100' and above the Capitan Reef is:**

Initial Cement Plan

- ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.

Contingency Cement Plan DVtool with ECP from 1900' to 2100'

DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe.

- a. First stage to DV tool:
☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
- b. Second stage above DV tool:
☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.
Additional cement shall be required as excess calculates to 0%.