

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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

DEC 27 2012

## SUDDRY 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 reverse side.**1. Type of Well  
Oil Well Gas Well Other Acid Gas Injection Well

2. Name of Operator Frontier Field Services, LLC

3a. Address  
4200 Skelly Dr., St. 700, Tulsa OK 741353b. Phone No. (include area code)  
918-388-84084. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
130' FSL, 1813' FEL, Sec. 21, T17S, R32E NMPM, Lea Co. NM5. Lease Serial No.  
LC 029509B6. If Indian, Allottee or Tribe Name  
N/A7. If Unit or CA/Agreement, Name and/or No.  
N/A8. Well Name and No.  
Maljamar AGI #19. API Well No.  
300254042010. Field and Pool, or Exploratory Area  
Exploratory (Lower Wolfcamp)11. County or Parish, State  
Lea

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

| TYPE OF SUBMISSION       | TYPE OF ACTION       |                  |                           |                |
|--------------------------|----------------------|------------------|---------------------------|----------------|
| Notice of Intent         | Acidize              | Deepen           | Production (Start/Resume) | Water Shut-Off |
|                          | Alter Casing         | Fracture Treat   | Reclamation               | Well Integrity |
| Subsequent Report<br>X   | Casing Repair        | New Construction | Recomplete                | Other          |
|                          | Change Plans         | Plug and Abandon | Temporarily Abandon       | Pad Interim    |
|                          |                      |                  |                           | Reclamation    |
| Final Abandonment Notice | Convert to Injection | Plug Back        | 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 recomplete 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 recompletion 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.)

On November 15-17, 2012, Geolex performed downsizing of the drilling pad and interim reclamation in accordance with the Application for Permit to Drill and the Conditions of Approval. On November 12-14, 2012, Geolex installed H<sub>2</sub>S signs at each of the 8 wells that penetrate the Frontier AGI #1 injection zone that are located within 1/2 mile of the AGI #1 in accordance with the New Mexico Oil Commission Division Order. Details for these activities are included in the attached Field Activity Report for Drill Pad Remediation and H<sub>2</sub>S Sign Installation, Frontier AGI #1, Maljamar, NM.

*note: Place a small berm down both sides of access to prevent vehicles from getting on the Reclamation. Dress up reclamation to blend into the surrounding landscape. Remove all Trash.*

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)  
Alberto A. Gutierrez, RGTitle  
President, Geolex, Inc. authorized agent for Frontier Field Services, LLP.

Signature

Date

11/20/12

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Office

Date

BUREAU OF LAND MANAGEMENT

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)

JAN 08 2013

## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13* - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

## NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

**PRINCIPAL PURPOSE:** The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

**ROUTINE USES:** Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

**EFFECT OF NOT PROVIDING THE INFORMATION:** Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

## BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0135), Bureau Information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

## **Field Activity Report**

**For**

### **Drill Pad Remediation and H<sub>2</sub>S Sign Installation Frontier AGI #1, Maljamar, NM**

**November 20, 2012**

Geolex supervised the drilling pad downsizing and remediation and the placement of H<sub>2</sub>S warning signs on wells that penetrate the injection zone in accordance with the Conditions of Approval and the NM OCD Order, respectively. PB Energy contracted SWEATT Construction to perform the excavation and restoration activities. Geolex geologist, Tom Sharp, directed the work to ensure the work was completed in accordance with the Application for Permit to Drill (APD), the COA for the APD, and the Frontier Field Services, LLC requirements, and the NM OCD Order. Plans were adjusted at the request of Frontier's Construction Supervisor, Jeff Bowman, to allow for a fence and gate on the northeast side of the pad and to tie the drilling pad into the compressor station pad.

Prior to beginning work, a safety meeting was conducted and utilities in the vicinity of the work area were cleared. Three pipelines run east-west under the pad several feet below the native desert topography. No excavating below native topography was conducted in the vicinity of the pipelines.

The scope of work required the removal of caliche on the north, east and south sides of the drilling pad and restoring the surface with native sand to match the existing dune structure. The south side of the pad was cut and the cut material (native sand) was used to fill the north side of the pad to match existing dunes. There is no topsoil in the area of the site, therefore, no topsoil was placed in the restoration areas. The north access road was moved 15 feet to the east for adequate room for truck entrance that will avoid the H<sub>2</sub>S monitors.

The caliche was initially excavated and stockpiled with a Caterpillar D-6 dozer on November 15, 2012. On November 16, 2012, a frontend loader and two end-dump trucks were used to load and transport the caliche to the new parking lot construction area located northwest of the flare. No soil was transported off-site.

The sand below the caliche on the south side was ripped, stockpiled, loaded, and transported to the north side fill area. A water truck was used to control dust and to add moisture for soil compaction. On November 17, 2012, the frontend loader spread the sand on the north side to match existing dunes. The sides of the pad were sloped at a low angle to match the existing dune structure and to slow erosion. The sand was moistened and compacted by wheel rolling with the frontend loader. No compaction testing was performed.

The prior and final site configurations are shown in attached Figure 1. All applicable requests of the Pecos District Conditions of Approval (COA) have been completed in accordance with Section IX: Interim Reclamation, page 13; except for seeding the reclaimed areas. Seed will be placed on the restored areas at a later date and prior to spring 2013.

In addition to completing the drill pad remediation, Geolex posted H<sub>2</sub>S warning signs at the 8 wells within a half mile that penetrate the injection zone to satisfy the requirements of the NM OCD Order (Figure 2 and photos).

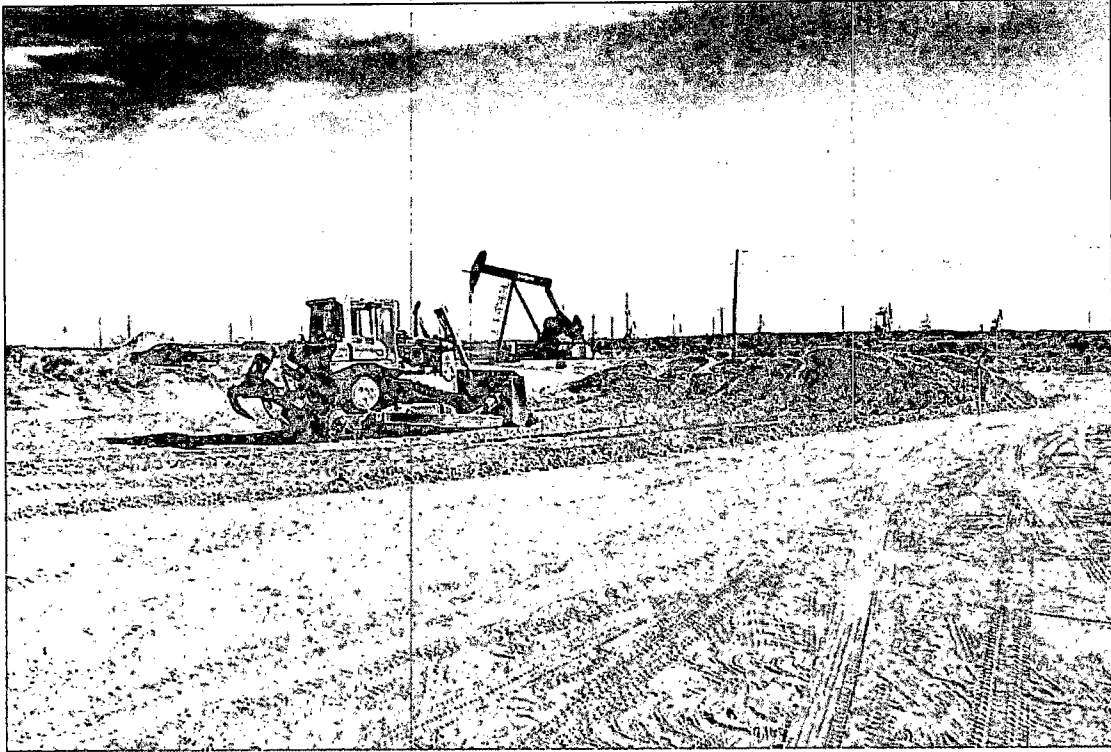
These wells include:

Federal B1 #001  
SWD 29 #001  
Federal Hudson #001  
Hudson #1  
Baish A #14  
Baish A #12  
Elvis #2  
Elvis #4

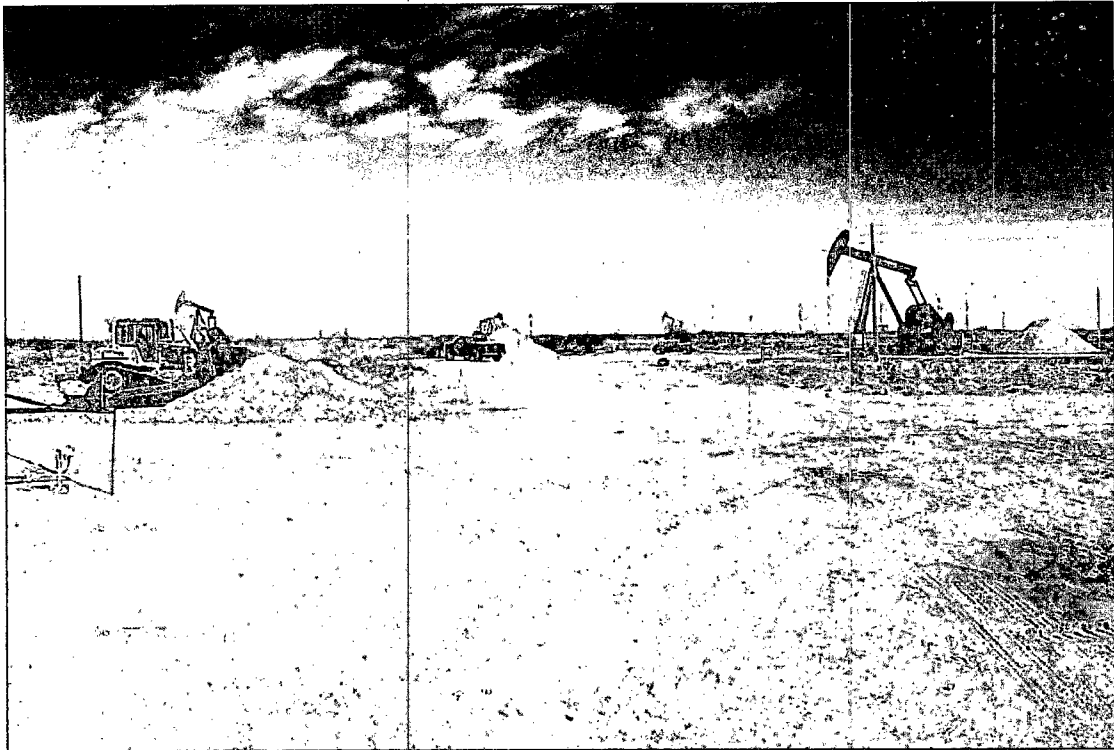
The first two wells on the list, Federal B1 #001 and SWD 29 #001, already had the required signs; therefore, no signs were installed at these two wells (see attached photos).

Photographic documentation of the above activities is included with this letter.

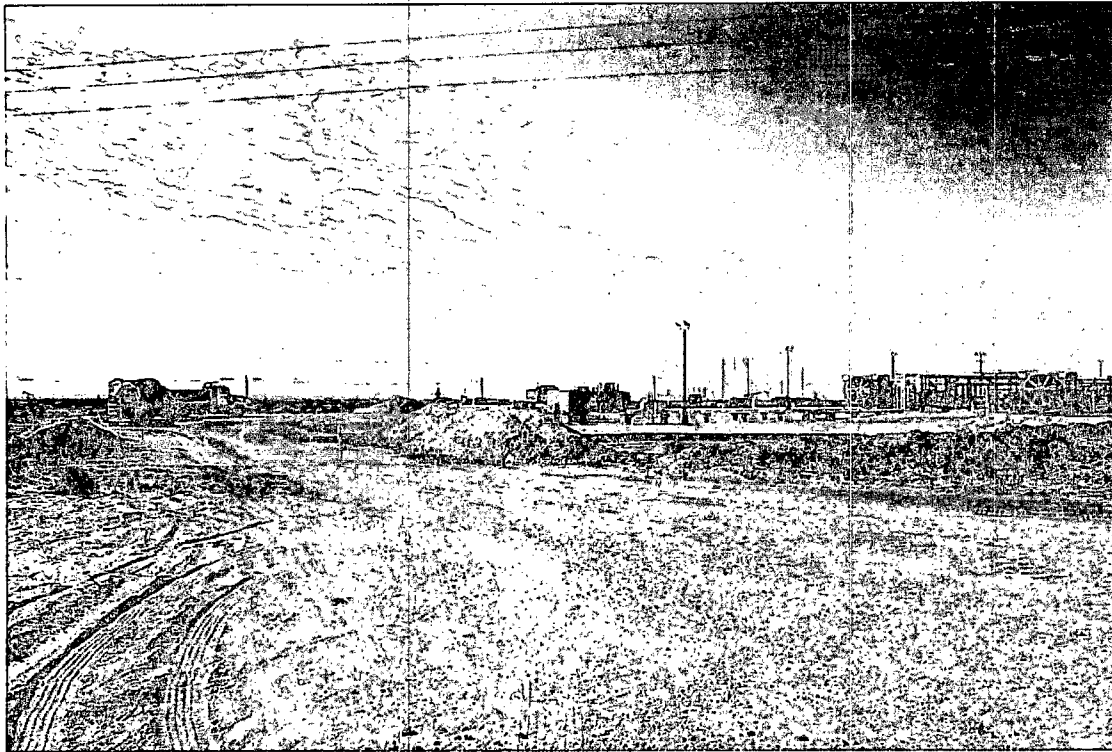
## Photos of Drilling Pad Downsizing and Reclamation Construction



Removing surface caliche layer from the north side of the drill pad



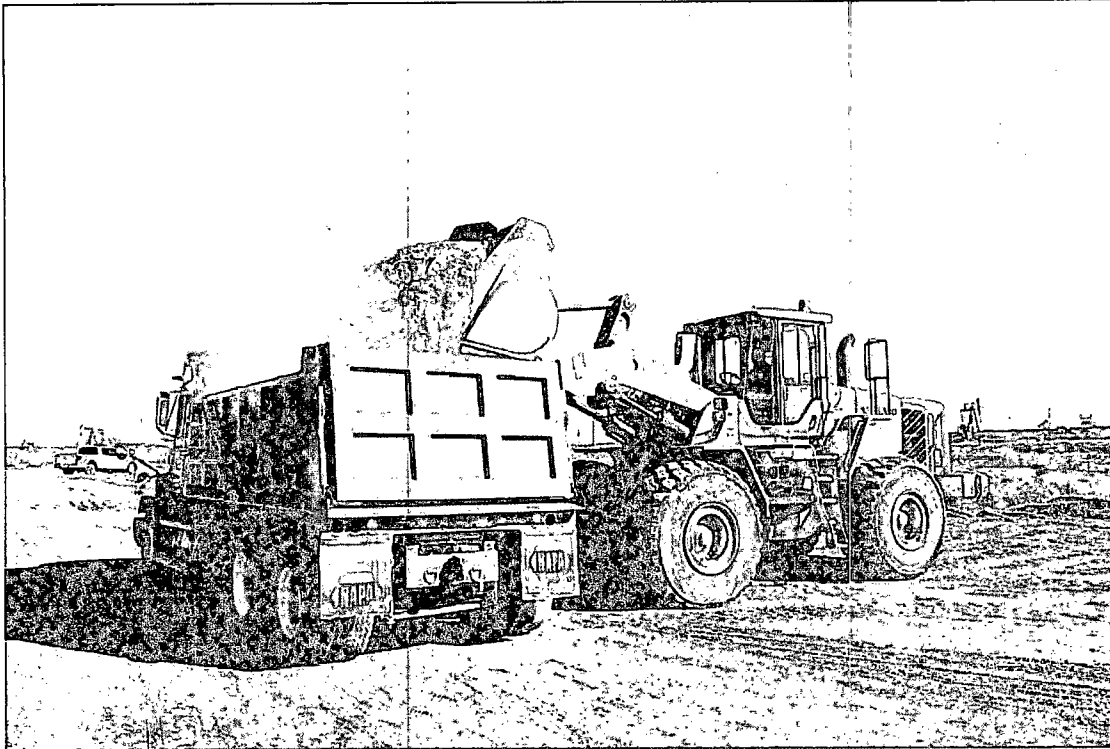
Stockpiling caliche next to the access road



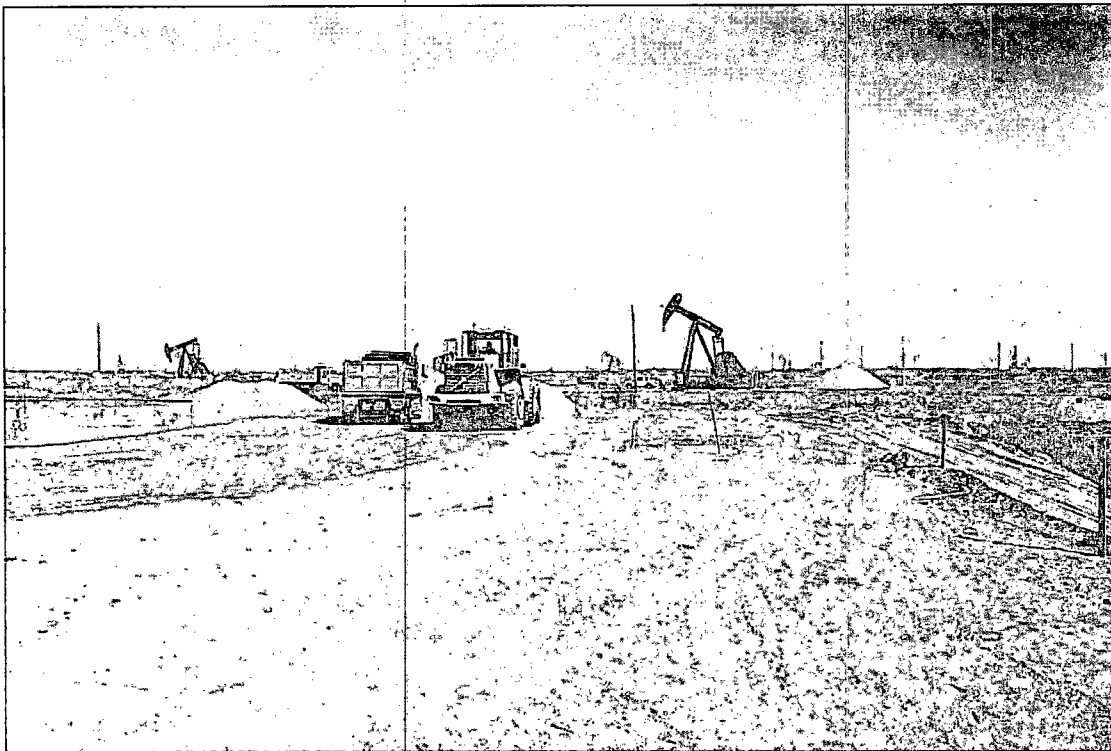
Stockpiled caliche for transport to the new parking lot area



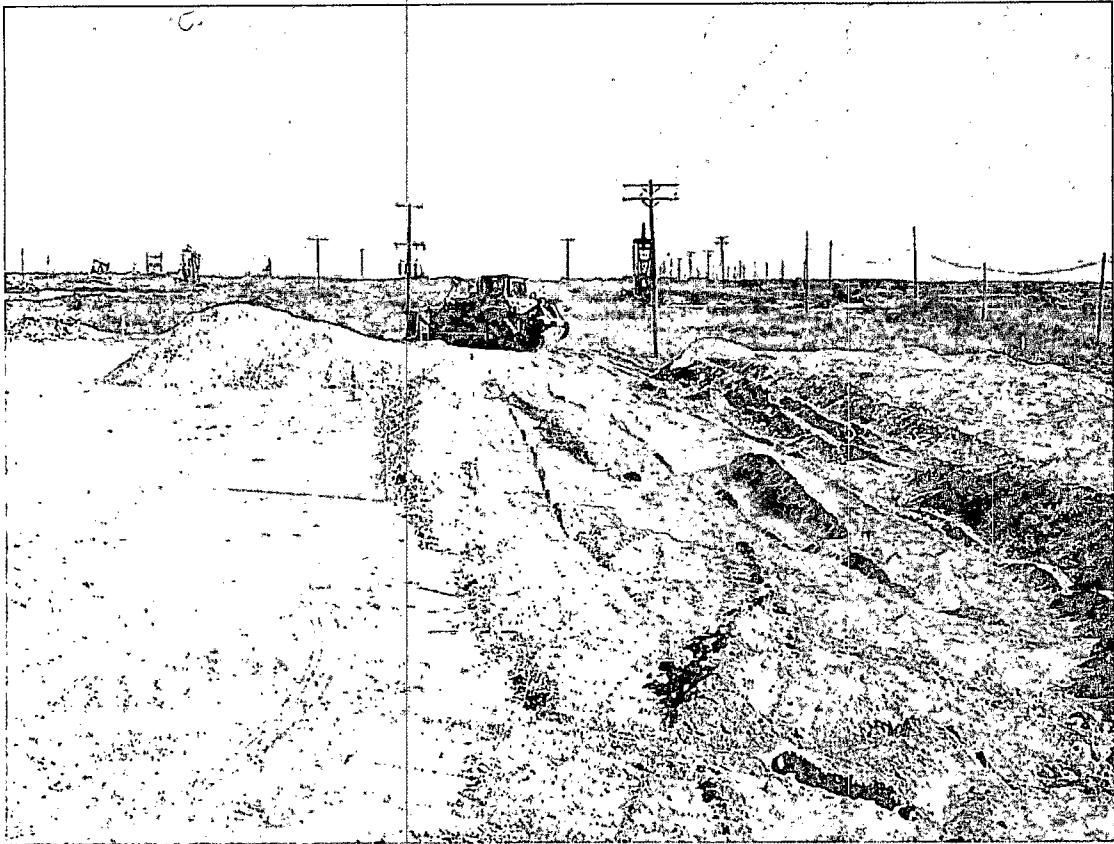
Water truck watering and compacting temporary access along flare fence



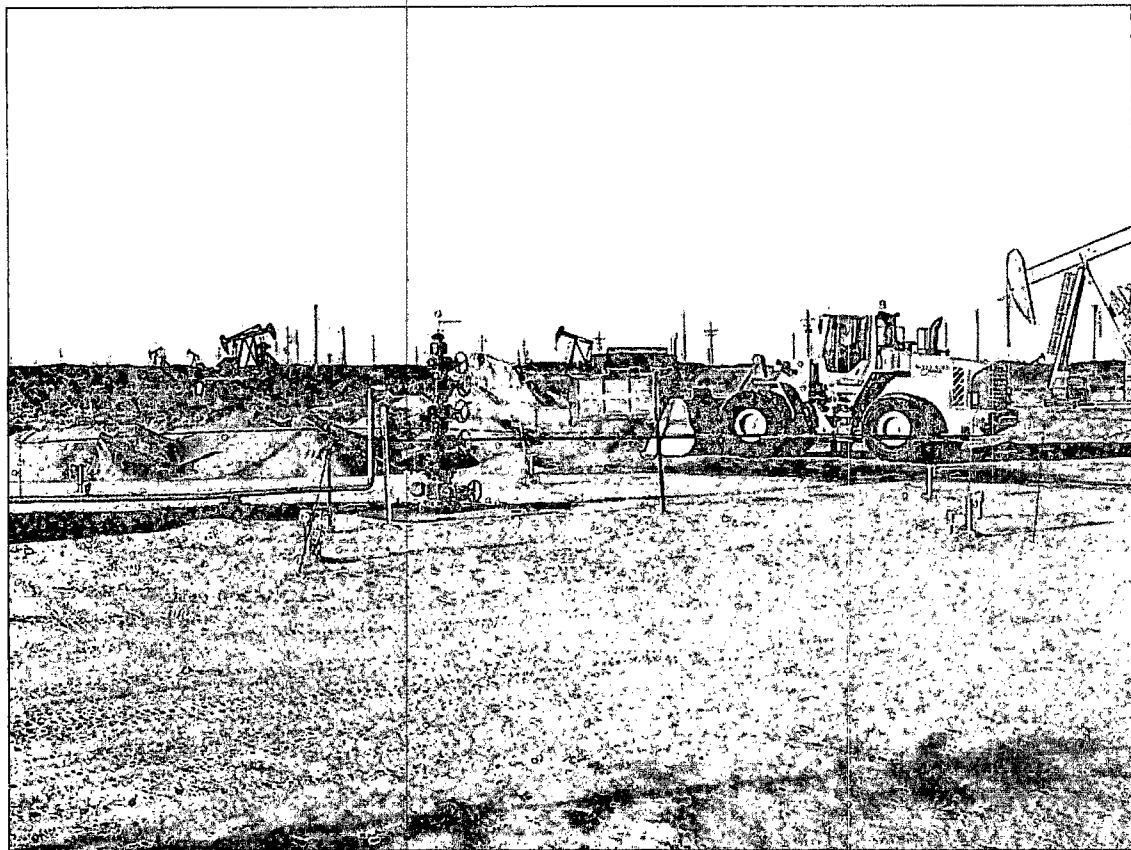
Frontend Loader loading caliche into dump truck



View of area while transporting caliche

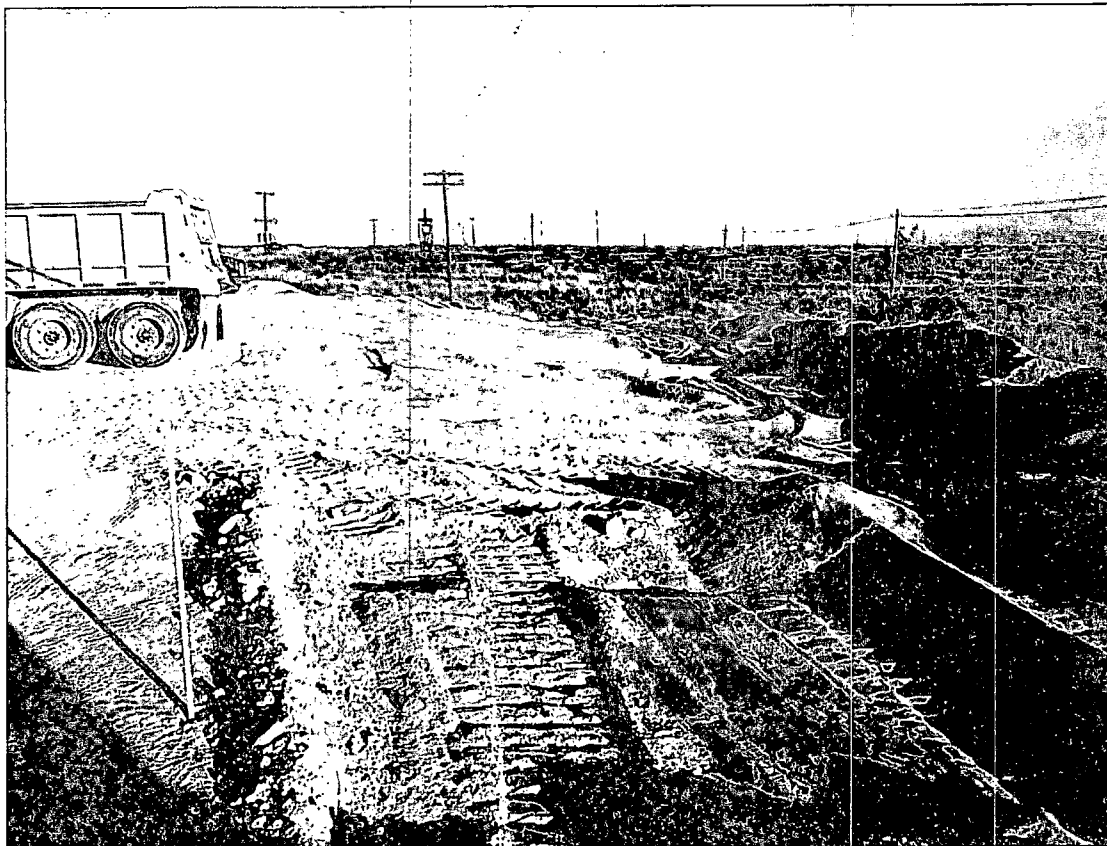


View of south side of drill pad after caliche was stripped off.



View of north fill area after caliche was remove and native sand deposited

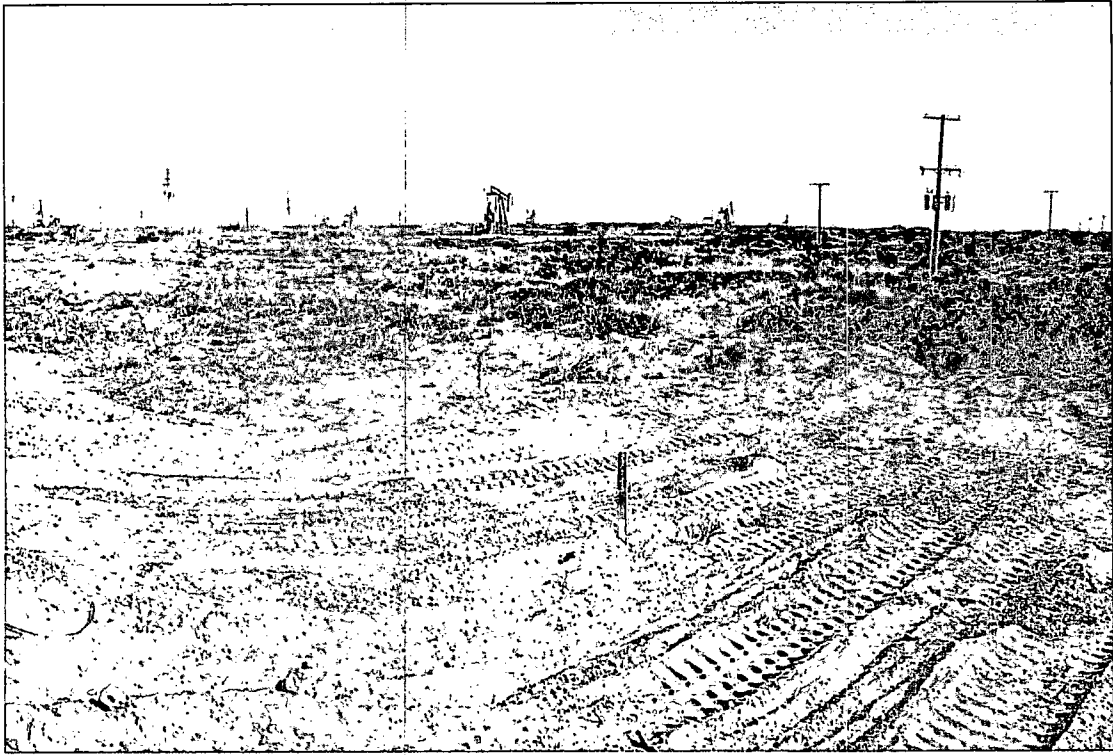




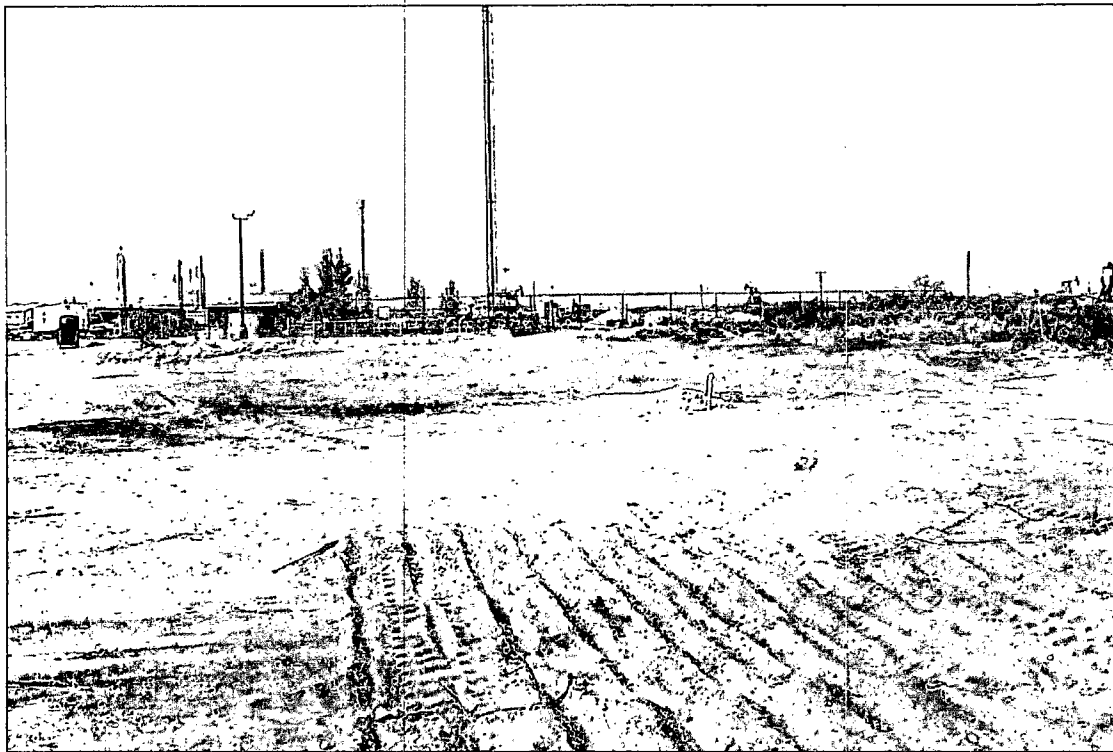
South cut area after removing stockpiled sand



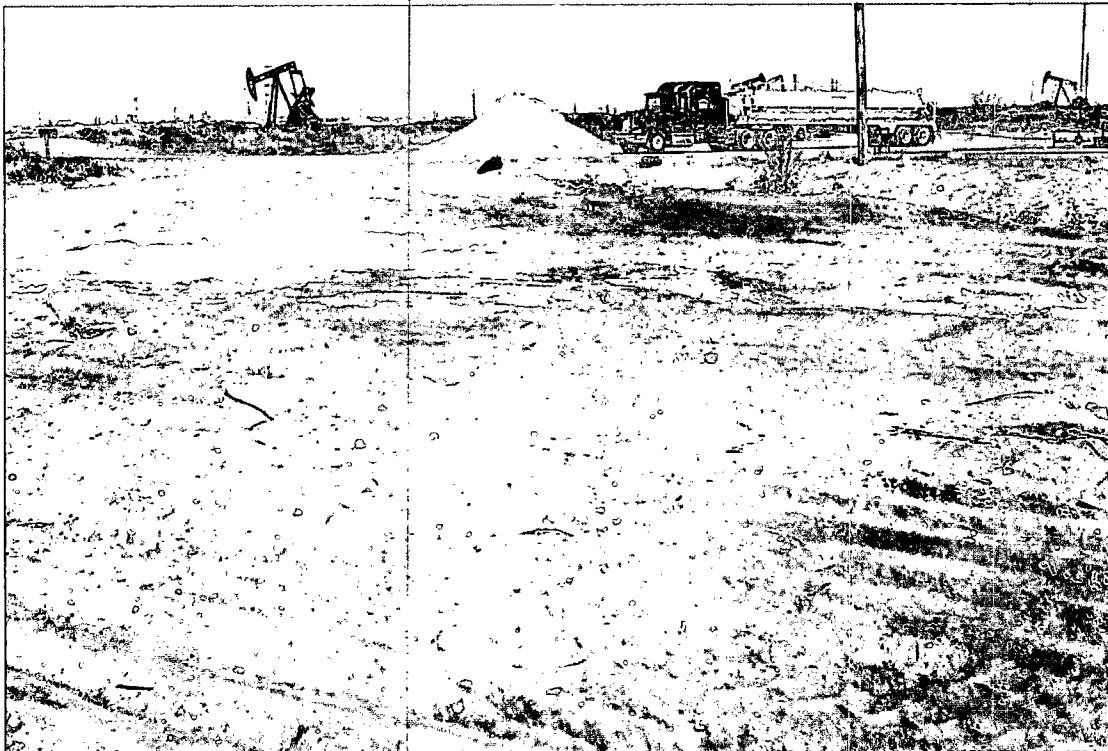
View looking north of newly constructed east slope to native desert.



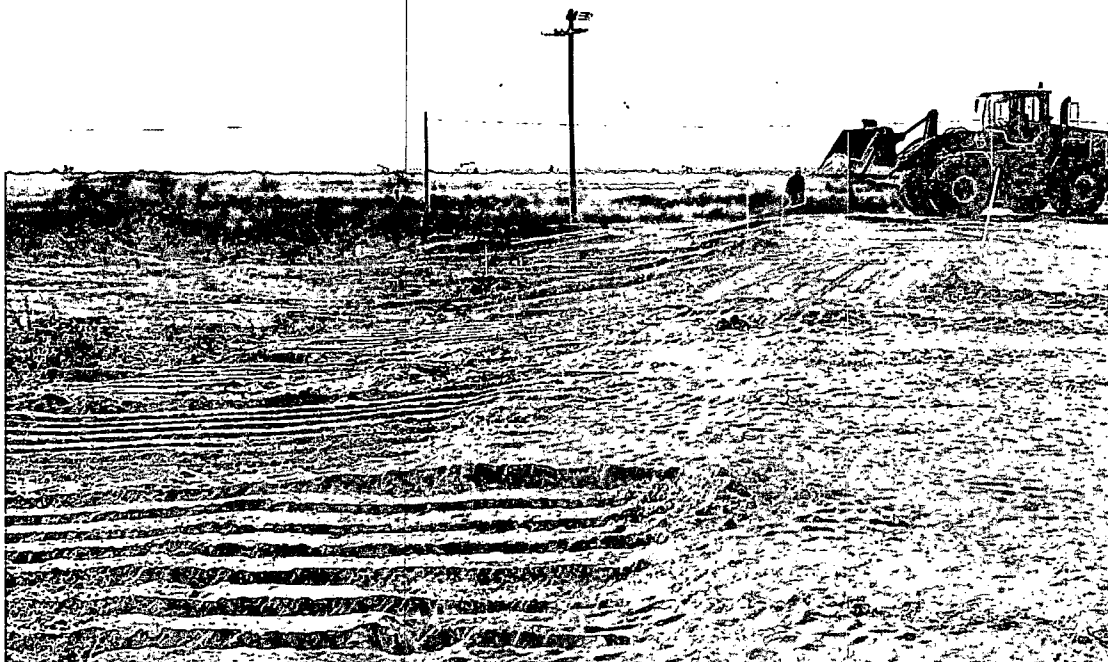
View of east slope pipeline marker



View of north remediated area with access road



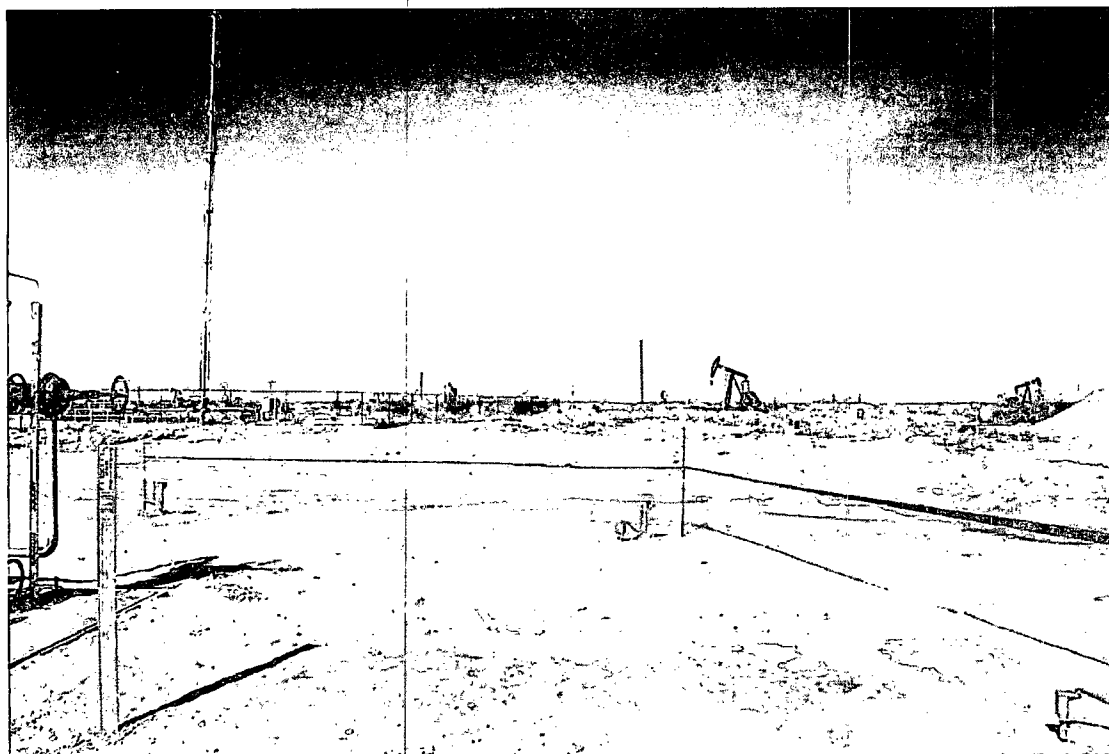
View of northeast corner after remediation



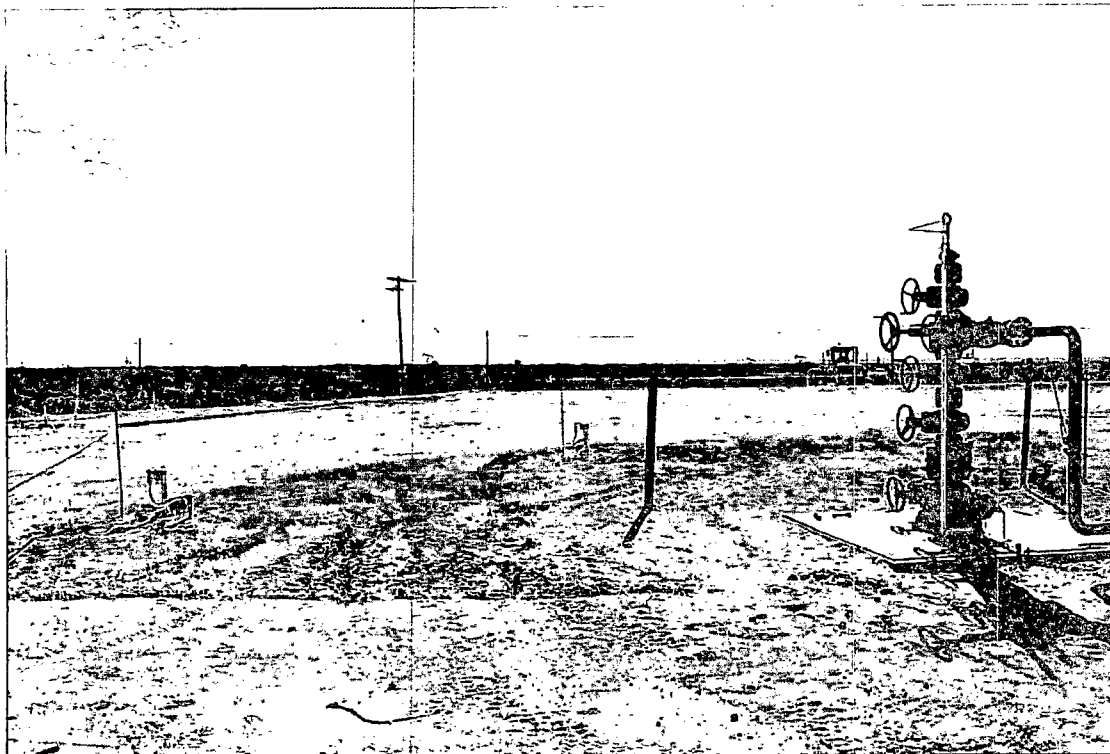
View looking south along the east side of the well pad after remediation



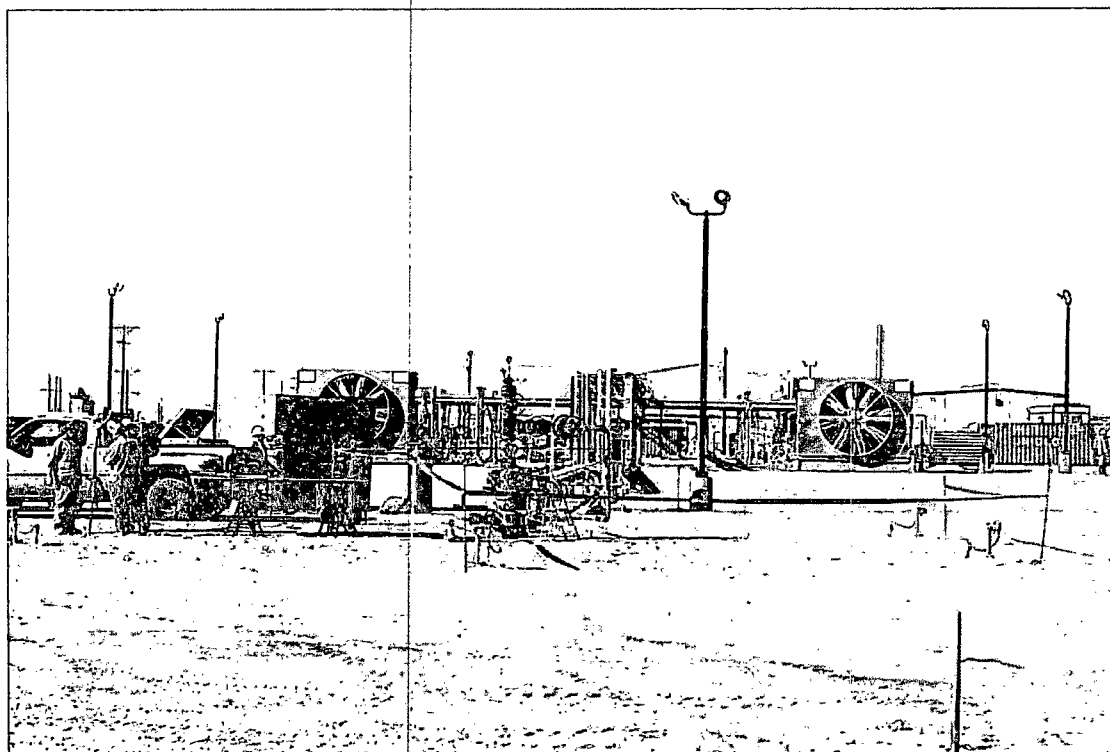
View of the south side of the pad (the cut side) newly constructed slope and dunes



View looking north from AGI #1

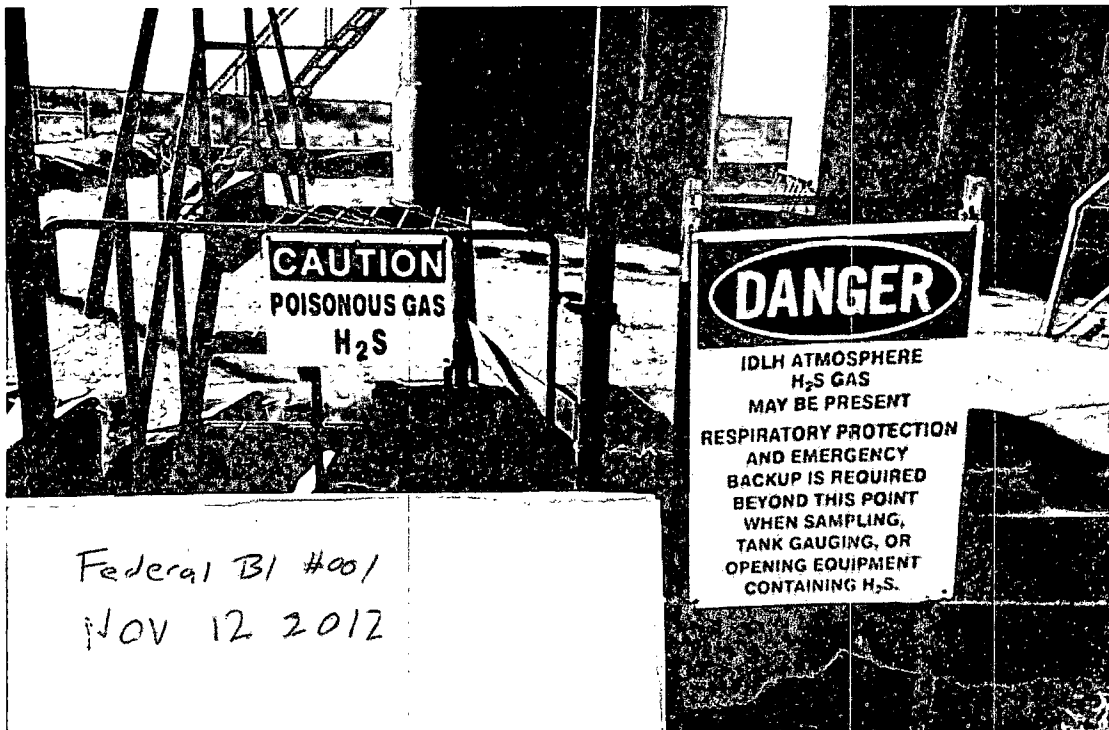


View looking south from AGI #1

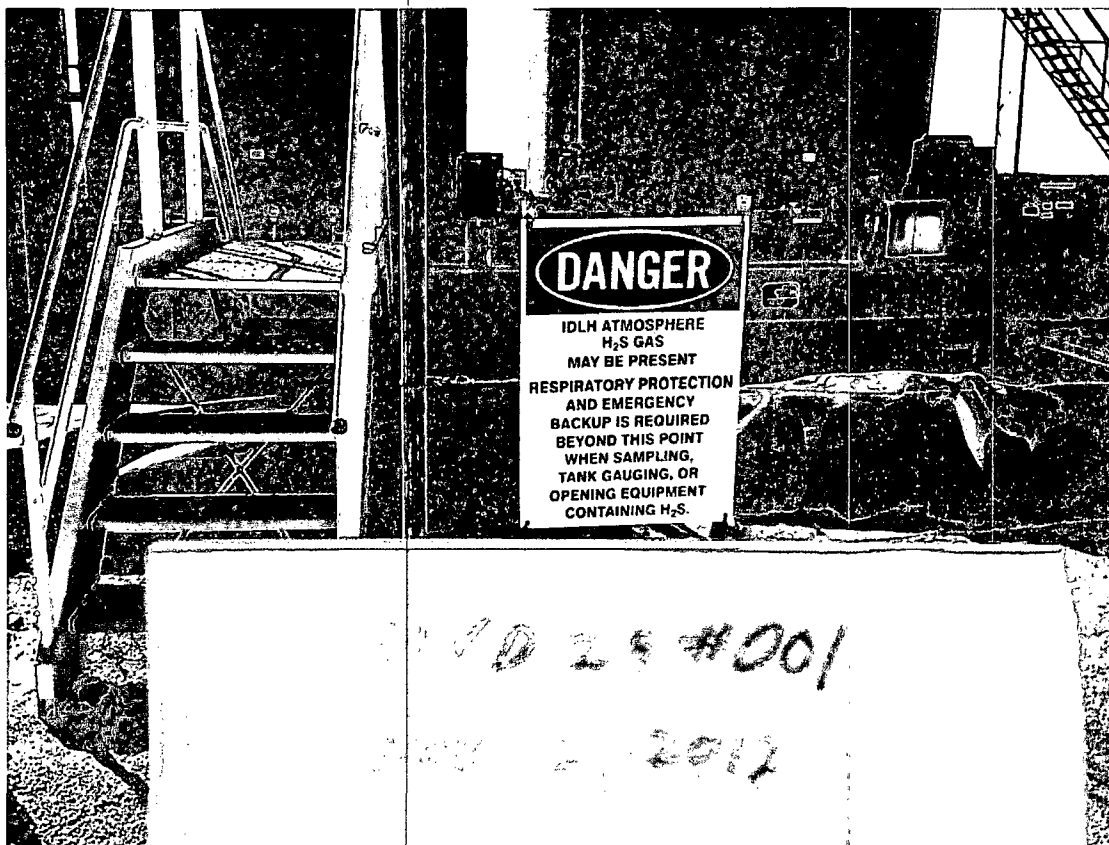


View looking west at AGI #1

## Photos of H<sub>2</sub>S Signs at 8 Wells Penetrating the Injection Zone



Federal B1 #001



SWD 29 #001



NOV. 12, 2012

Hudson Federal #001



NOV. 12, 2012

Hudson # 1





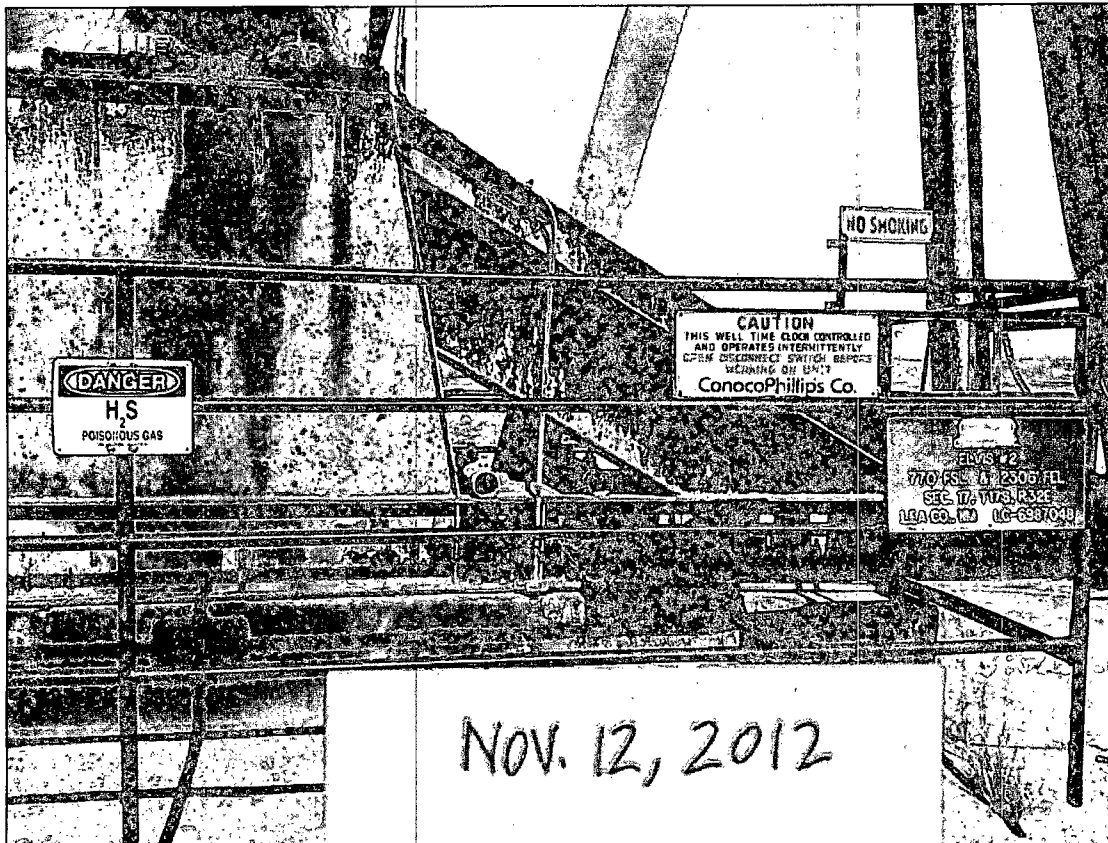
NOV. 12, 2012

Baish A #12



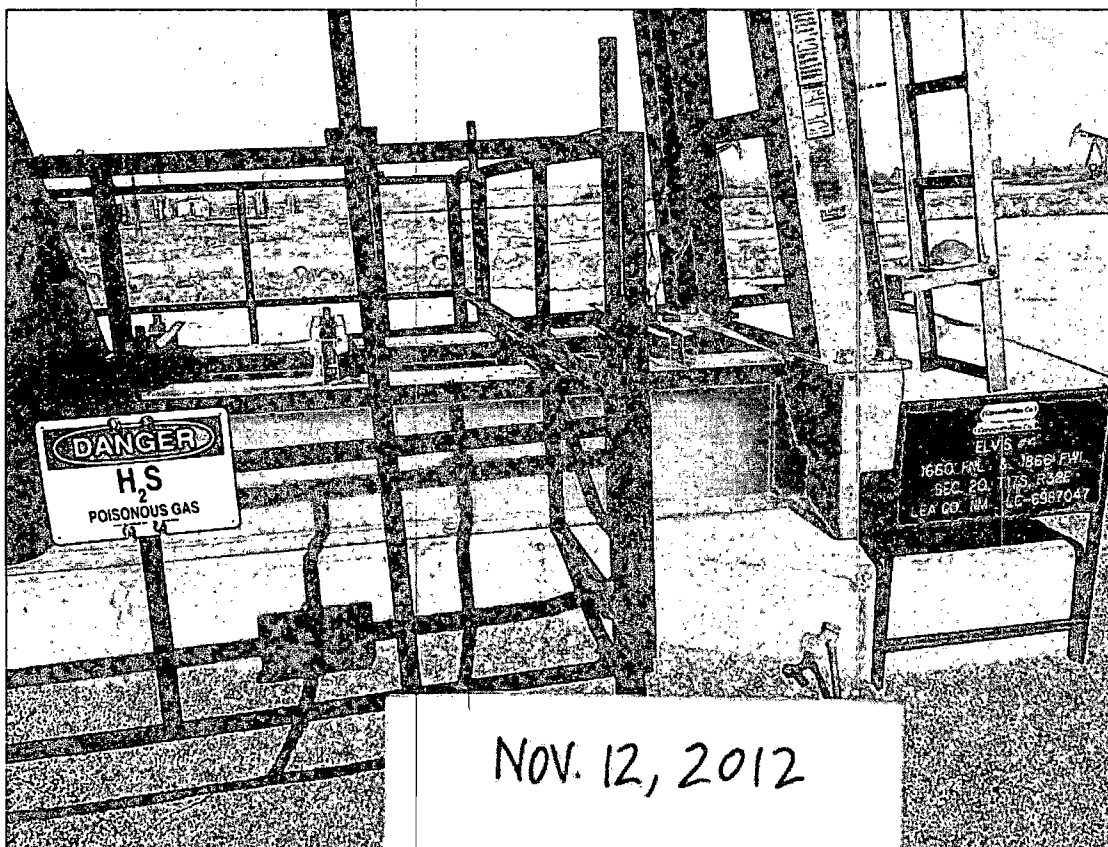
Baish A #14





NOV. 12, 2012

Elvis #2



NOV. 12, 2012

Elvis #4