

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD
OCD Hobbs
APR 08 2013

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.		5. Lease Serial No. NM 111801X
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Seely Oil Company		7. If Unit of CA/Agreement, Name and/or No.
3a. Address 815 W. 10th St. Ft. Worth, TX 76102	3b. Phone No. (include area code) 817-332-1377	8. Well Name and No. EK Penrose Sand Unit # 202
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL: B Sec. 30-T18S-R34E 660' FNL & 1980' FEL		9. API Well No. 30-02-02373
		10. Field and Pool or Exploratory Area EK-Yates-SR-Queen
		11. County or Parish, State Lea County, 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"/> 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 checked="" 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.)

Well to be repaired as follows:

Set pkr @ +/- 500'. Mix 200 sxs Class "C" w/ 10% salt w/ yeild of 1.36 ft³/sxs, try to circulate cmt and then shut in annulus in an attempt to squeeze to +/- 1000 psi. Drill out cmt & test. If it still leaks, squeeze w/ additional 100 sxs Class "C" w/ 10% salt and drill out in 24 hrs. A CBL will be run as soon as the csg is repaired.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Comply with Written Order & COAs



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) David L. Henderson		Title President
Signature <i>David L. Henderson</i>		Date 03/28/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Petroleum Engineer	Date APR 08 2013
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>KV</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.

(Instructions on page 2)

APR 08 2013

**Seely Oil Company
EK Penrose Sand Unit #202
Water Injection Conversion Report
Submitted by: Steve Clingman**

- 02/22/13** Move in and rig up Tyler Well Service. Shut down for weekend.
- 02/25/13** Lay down two 2' and two 6' pony subs, packed off tubing and shut down due to wind and snow. Hot water rods and tubing.
- 02/26/13** Lay down 187 - $\frac{3}{4}$ " rods and 2" X 1 $\frac{1}{2}$ " X 12' insert pump. Approximately 25% of rods were cork screwed. Nipple up BOP and trip out with 151 joints of 2 $\frac{3}{8}$ " tubing. Found one hole on trip out. Nipple down BOP and change out tubing heads. Nipple up BOP shut in and shut down for night. Prep to run casing scraper and test tubing back in hole.
- 02/27/13** Pick up a 4 $\frac{3}{4}$ " bit and casing scraper and test tubing back in hole to 5000 PSI. Visually found one hole, the remainder of the string tested ok. Tag at 4734' with perforations at 4732' - 4742'. Rig up reverse unit and swivel and start loading hole. Found a hole in 5 $\frac{1}{2}$ " casing just above slips. Trip out of hole and shut down for night. Will back off and replace top joint of casing tomorrow.
- 02/28/13** Nipple down BOP and tubing head. Pull cap and packing out of casing head but could not pull slips at 70,000# and heating head. Set cast iron bridge plug at 4600' in preparation of cutting off casing head. Welder built a device to pull slips. Backed off 5 $\frac{1}{2}$ " casing at 41' below ground level and laid down cut off and one full joint of casing. Backed out old surface casing head and shut down for day. No one in Hobbs had a 10 $\frac{3}{4}$ " casing head. One was located in Odessa and will be delivered tomorrow AM. Will install new casing head and put production casing back together tomorrow.
- Casing Repair Job*
- 03/01/13** Install new 10 $\frac{3}{4}$ " X 5 $\frac{1}{2}$ " casing head and re-ran 5 $\frac{1}{2}$ " casing. Used one joint of casing from yard to replace old cut off joint with hole. Nipple up tubing head and BOP and attempt to test 5 $\frac{1}{2}$ " casing. Established an injection rate at 2 BPM, 500 PSI. Pick up 5 $\frac{1}{2}$ " packer and trip in hole. Isolate holes in casing between 744' and 991'. Had good circulation out surface casing. Set tension packer at 498', shut in and shut down for night. Prep to squeeze.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Conditions of Approval
Sundry dated 2/28/2013 and 3/28/2013
Seely Oil Company
EK Penrose Sand Unit #202
API 3002502373, T18S-R34E, Sec 30
April 3, 2013

Per Sundry dated 02/28/2013

1. Surface disturbance beyond the existing pad shall have prior approval.
2. Casing added or replaced requires a prior notice of intent (BLM Form 3160-5) approval of the design.
3. **Per Sundry dated 03/28/2013 – Operator replace top joint of casing without proper approval from BLM. Per CFR 3162.3-2, a proposal for further well operations shall be submitted by the operator on Form 3160-5 for approval by the authorized officer prior to commencing operators to perform casing repairs. Replacing the top joint of casing due to a hole is casing repair.**
4. **Operator to provide specification of the top joint of casing.**
5. **Operator shall comply with the enclosed Written Order of the Authorized Officer**

Per Sundry dated 03/28/2013

6. **Operator to perform cement squeeze job as stated and cement to circulate to surface**
7. **Wait on cement 24hrs then drill out.**
8. **Run a CBL from 3200 feet or below to top of cement to surface to confirm top of cement of primary cement job and results of casing repair. Submit to BLM ASAP for review. If possible provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log. The CBL may be attached to a pswartz@blm.gov email.**
9. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
10. Functional H₂S monitoring equipment shall be on location.
11. A 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. A ram system including a blind ram and pipe ram(s) designed to close on all of the work string(s) used is required equipment. Manual BOP closure (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.

12. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
13. File intermediate **subsequent sundry** Form 3160-**5** within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.
14. Submit the BLM Form 3160-**4 Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
15. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

EGF 040313