

New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NM 02218

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE -- Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

HALCON HOLDINGS, INC

3a. Address

5100 E. SKELLY DRIVE, SUITE 650
TULSA, OK 74135

3b. Phone No. (include area code)

(918) 663-2800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL & 660' FEL
SEC. 28, T08S, R37E

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

8. Well Name and No.
EL ZORRO E FEDERAL #003

9. API Well No.
30-041-00170

10. Field and Pool or Exploratory Area
ALLISON; SAN ANDRES, EAST

11. County or Parish, State
ROOSEVELT 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 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 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 WAS COMPLETED IN THE BOUGH C SAND ON 2/14/1961. THE ZONE WAS ABANDONED IN 1972 AND WAS RECOMPLETED IN THE SAN ANDRES. THIS FORMATION HAS NOW BECOME UNECONOMIC TO PRODUCE. A GEOLOGIC REVIEW INDICATES THERE ARE NO OTHER POTENTIAL UPHOLE ZONES. PLEASE SEE ATTACHED THE PROPOSED SUMMARY TO PLUG AND ABANDON, PROPOSED WELLBORE DIAGRAM AND A CURRENT WELLBORE DIAGRAM. THE ESTIMATED STARTING DATE TO PERFORM THIS WORK IS APRIL 15, 2013. ALL WORK IS TO BE PERFORMED UNDER BLM BOND NO. WYB000905; RIDER NO. SUR0003902.

Halcon Holdings Inc. Is Not The Approved BLM Operator But Is Approved To Do The Downhole Plugging Of This Well For Ram Energy Inc. Approval To Change Operator Is Contigent On Halcon Bond Increase.

APPROVED FOR 3 MONTH PERIOD
ENDING JUN 12 2013

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

STEPHEN MILINICHIK

Title SR. OPERATIONS ENGINEER

Signature

Date 02/21/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

MAR 12 2013

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

ROSWELL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 18 U.S.C. Section 1217 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 and to any matter within its jurisdiction.

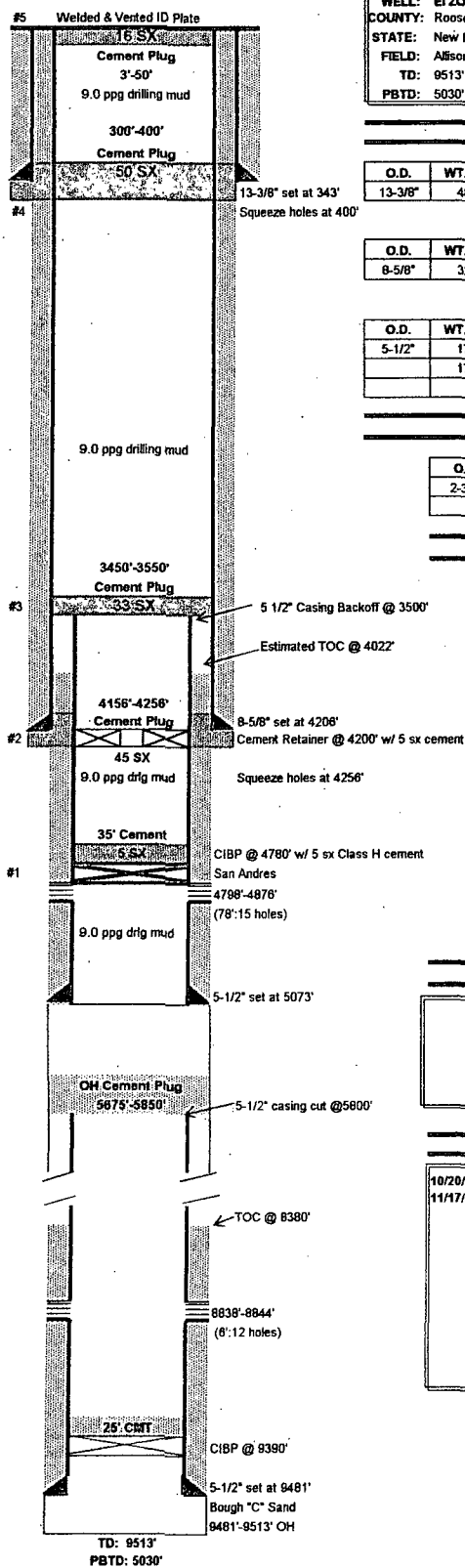
(Instructions on page 2)

CONDITIONS OF APPROVAL

APR 11 2013

El Zorro E Federal #3 P&A Summary

1. Contact local BLM representative at least 24 hours before starting operations
2. MIRU plugging company rig.
3. MIRU Wireline Service. RIH w/ 5½" gauge ring and junk basket to top of perforations @ 4798'KB. POOH. PU & RIH w/ 5½" CIBP to 4780'KB. Set CIBP. PU & TIH w/glass bottom dump bailer w/ 5 sx Class H cement to top of plug. Spot cement on plug (**Plug #1: 4780'KB**).
4. PU & TIH w/ 2 ¾" workstring to top of cement @ 4739'KB. Spot bbls 9.0 ppg drilling mud from 4200'-4739'KB in 5 ½" casing.
5. RIH w/ string shot and perforate casing at 4256'KB w/ 2 shots.
6. PU & RIH w/ 5 ½" cement retainer to 4200'KB. Set retainer.
7. Mix and pump 50 sx Class "H" cement into holes (**Plug #2: 4156'-4256'KB**). Displace cement slurry w/15 bbls fresh water (45 sx below retainer).
8. Leave 5 sx cement on top of retainer.
9. Pull uphole to 4100'KB. Spot 13 bbls 9.0 ppg (40 cp viscosity) drilling mud on cement and retainer w/13 bbls fresh water. TOOH with tubing and stinger.
10. Latch on to 5 ½" casing. TIH w/string charge on wireline to approximately 3500' KB. Backoff casing.
11. Establish circulation via 5 ½" casing with 9.0 ppg drilling mud. Pull & LD recovered 5 ½" casing.
12. TIH w/ open-ended 2 ¾" tubing to 3550'KB (50' inside cutoff casing).
13. MIRU Cementing Services (NMC Certified Cementer). MI transport loaded with 300 bbls fresh water.
14. Mix and pump 33 sx Class "H" cement (16.4 ppg, 1.06 ft³/sk) via tubing at no more than 3 BPM. Flush cement with 13 bbls drilling mud (**Plug #3:3450'-3550'KB**).
15. WOC 12 hrs. RIH w/ tubing and tag cement top ~ 3450'KB.
16. MIRU Wireline. RIH w/ string shot and perforate 8 5/8" casing at 400'KB w/ 2 shots.
17. Mix and pump 50 sx Class "H" cement via 8 5/8" casing into holes (**Plug #4:300'-400'KB**). Stage squeeze cement to standing pressure of 500 psi. Displace cement slurry w/18 bbls drilling mud.
18. RIH w/ tubing and tag cement top ~ 300'KB.
19. Spot final 16 sx Class "H" cement plug from 3'-50'KB (**Plug #5**). RD cementers.
20. Cutoff casing(s) 3' below ground level.
21. Weld on ID plate with API number and date plugged (vent ID plate).



WELL: El ZORRO E FEDERAL #3	OPERATOR: Halcon Holdings, Inc.	SPUD DATE: 01/09/1961
COUNTY: Roosevelt	LEASE #: NM02218	COMP. DATE: 11/17/1972
STATE: New Mexico	API #: 30-041-00170	LOCATION: 1980' FNL & 660' FEL
FIELD: Allison	FORMATION: San Andres	SURVEY: Section 28-8S-37E
TD: 9513'		
PBTD: 5030'	ELEVATION: 4018' GL; 4029' KB	ZERO DATUM: 11.0' FT. ABOVE: GL

CASING RECORD

SURFACE CASING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	BIT SZ	SX CMT.	TOP CMT.
13-3/8"	48#	J-55	8RD,ST&C	surface	343'		17-1/2"	350	Surface

INTERMEDIATE CASING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	BIT SZ	SX CMT.	TOP CMT.
8-5/8"	32#	J-55	8RD,ST&C	surface	4,208'		11"	1800	Surface

PRODUCTION CASING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	BIT SZ	SX CMT.	TOP CMT.
5-1/2"	17#	N-80	8RD,LT&C	surface	80'		7-7/8"	175	4022'
	17#	J-55	8RD,LT&C	80'	5073'		7-7/8"		

TUBING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	Packer?
2-3/8"	4.7#	N-80	8RD, EUE	surface	4850'		No

PERFORATION RECORD

DATE	TOP	BOTTOM	SPF	ZONE	STATUS
04/28/79	9,481'	9,513'	OH	Bough "C"	plugged
11/16/72	4,886'		1	San Andres	open
11/16/72	4,876'		1	San Andres	open
11/16/72	4,872'		1	San Andres	open
11/16/72	4,868'		1	San Andres	open
11/16/72	4,862'		1	San Andres	open
11/16/72	4,854'		1	San Andres	open
11/16/72	4,850'		1	San Andres	open
11/16/72	4,848'		1	San Andres	open
11/17/72	4,827'		1	San Andres	open
11/17/72	4,822'		1	San Andres	open
11/17/72	4,819'		1	San Andres	open
11/17/72	4,814'		1	San Andres	open
11/17/72	4,810'		1	San Andres	open
11/17/72	4,804'		1	San Andres	open
11/17/72	4,798'		1	San Andres	open
Totals:	4,798'	4,876'	15	San Andres	open

TREATMENT

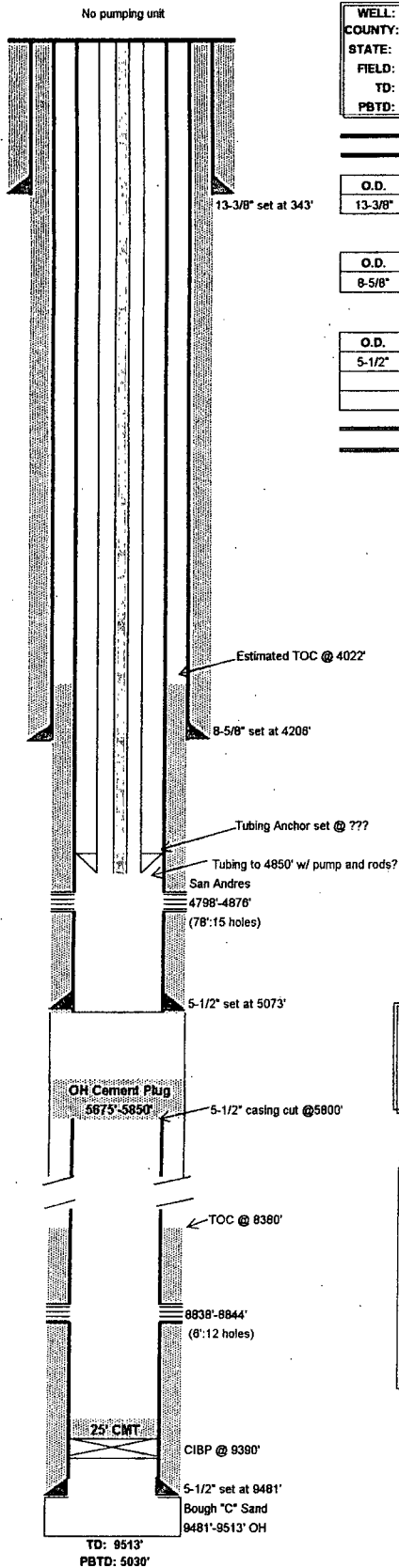
REMARKS

10/20/72 Bough "C" Sand plugged and abandoned
11/17/72 Completed San Andres

Engineer: Stephen Milnichuk
Office#: (918) 632-0608
Cell#: (918) 714-1806

Prepared By: SJM
Date: 2/28/2013
Updated: 2-26-2013 SJM

Current



WELL: El ZORRO E FEDERAL #3	OPERATOR: Halcon Holdings, Inc.	SPUD DATE: 01/09/1981
COUNTY: Roosevelt	LEASE #: NM02218	COMP. DATE: 11/17/1972
STATE: New Mexico	API #: 30-041-00170	LOCATION: 1980' FNL & 680' FEL
FIELD: Allison	FORMATION: San Andres	SURVEY: Section 28-9S-37E
TD: 9513'		
PBTD: 5030'	ELEVATION: 4018' GL; 4028' KB	ZERO DATUM: 11.0' FT. ABOVE: GL

CASING RECORD

SURFACE CASING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	BIT SZ.	SX CMT.	TOP CMT.
13-3/8"	48#	J-55	8RD,ST&C	surface	343'		17-1/2"	350	Surface

INTERMEDIATE CASING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	BIT SZ.	SX CMT.	TOP CMT.
8-5/8"	32#	J-55	8RD,ST&C	surface	4,206'		11"	1800	Surface

PRODUCTION CASING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	BIT SZ.	SX CMT.	TOP CMT.
5-1/2"	17#	N-80	8RD,LT&C	surface	80'		7-7/8"	175	4022'
	17#	J-55	8RD,LT&C	80'	5073'				

TUBING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	Packer?
2-3/8"	4.7#	N-80	8RD, EUE	surface	4850'		No

PERFORATION RECORD

DATE	TOP	BOTTOM	SPF	ZONE	STATUS
04/28/79	9,481'	9,513'	OH	Bough "C"	plugged
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11/16/72	4,876'		1	San Andres	open
11/16/72	4,872'		1	San Andres	open
11/16/72	4,866'		1	San Andres	open
11/16/72	4,862'		1	San Andres	open
11/16/72	4,854'		1	San Andres	open
11/16/72	4,850'		1	San Andres	open
11/16/72	4,848'		1	San Andres	open
11/17/72	4,827'		1	San Andres	open
11/17/72	4,822'		1	San Andres	open
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Totals:	4,798'	4,876'	15	San Andres	open

TREATMENT

REMARKS

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11/17/72 Completed San Andres

Engineer: Stephen Milnichuk
Office#: (918) 632-0608
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Prepared By: SJM
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BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(575) 627-0272

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon. **If you are unable to plug the well by the 90th day provide the BLM Roswell Field Office (RFO), prior to the 90th day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action. Unless the well has been properly plugged, the rig shall not be removed from over the hole without prior approval.**

2. Notification: Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. 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.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. Monument: Upon abandonment of the well, all casing shall be cut-off at the base of the cellar or 3-feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Timing Limitation Lease Stipulation / Condition of Approval For Lesser Prairie-Chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1 through June 15 annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D seismic operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

8. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to the BLM Roswell Field Office. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.