

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District I

1625 N. French Drive

Hobbs, NM 88401

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

HOBBS OCD

JAN 27 2014

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		RECEIVED
2. Name of Operator Morexco, Inc.		
3a. Address Box	3b. Phone No. (include area code) 432 684-6381	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 30, T15S, R33D, NMPM; UTM: 1980 FSL & 1980 FWL 97 A 990N 990E		5. Lease Serial No. NM 107394
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No. none
		8. Well Name and No. Rough Rider Federal, Well #1
		9. API Well No. 30 041 20901
		10. Field and Pool, or Exploratory Area N. Chaveroo (Permo, Penn N)
		11. County or Parish, State Rossevelot County, NM

12. CHECK 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 shall 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 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.)

9/27/13 through 10/22/13: Workover to clean out hole, fishing.

Daily Report attached. Wellbore Diagram attached.

Propose to P&A as follows:

1. Rig up pulling unit

2. TOOH w/tubing; PU packer TIH to 3000'; rig up cementers to pump 300 sx Class H w/0.004 gps CF 41L, 15.6# w/1.18 yield, cu ft/sk. TOC @ 6000', followed by 250 sx CI C w/.004 gps CF 41L 14.8#/ft w/ 1.32 yeild TOC @ 3000. Displace tubing, unset packer and reverse to pit. TOH.

3. TIH & tag TOC. Pressure test plug to 500 psi, TOH; rig up and perf 5 1/2" casing @ 513'; TIH w/packer to 413', break circulation. Pump 150 sx Class C w/.004 gps CF 41L and circulate to surface. Unset packer and reverse to pit. POOH.

4. TIH & tag plug. Move tubing to 60', spot 50 sx CI C cement.

Place Dry hole maker, remove all equipment, dish and seed location.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Ann Ritchie		Title Regulatory
Signature 	Date 09/17/2013	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS	PETROLEUM ENGINEER Date JAN 21 2014
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 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)

SEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVED FOR 3 MONTH PERIOD
ENDING APR 21 2014

JAN 28 2014

YMBB/ocd 1/28/2014

Morexco, Inc.

Rough Rider Federal #1

Work Over

09-27-13 MI&RU Tatum Well Service PU. NU BOP, PU 4 1/2" impression block, 2 jts 2 3/8" tubing & RIH on sand line. Tag fish @ 214'. POOH with block & found impression of 7/8" rod pin. SI&SDFD.

Daily Cost \$ 7,000

Daily Cost \$ 7,000

09-28-13 PU 4 11/16" over-socket with 7/8" rod pin grapple & RIH on 2 3/8" tubing. Latch rods @ 214' & start out of the hole (dragging 15 to 20 pts over weight - weight = 45 pts). POOH with 7 jts (fishing jts) 2 3/8" tubing plus over-socket. LD fishing tools & POOH with 102-7/8" rods & 13' piece of 3/4" rod. Lost most of weight @ 90 rods out of the hole. Some of the rods were bent & some were straight. The 3/4" body break was pulled in to (stretched & broke). SI & SDFD.

Daily Cost \$ 8,000

Daily Cost \$ 15,000

09-29-13 SDFWE.

09-30-13 SDFWE.

10-01-13 RIH with impression block & tag fish. POOH with block & found 3/4" rod body impression. PU 4 11/16" over-socket with grapple to catch 3/4" rod box. RIH on 2 3/8" tubing, catch rods & POOH with 5 more 3/4" rods (bottom of fish was fish hooked). Rerun block & found 3/4" rod impression that looked rounded. RIH with over-socket but did not catch anything. Top of fish is @ 2,255' (SLM) & probably is the top of 2 3/8" tubing.

Daily Cost \$ 8,000

Daily Cost \$ 23,000

10-02-13 PU 4 11/16" screw/grab & RIH with 2 3/8" tubing. Attempt to catch rods (using the tubing tongs). After several attempts we thought we had gained a point or 2 of extra weight. POOH with no recovery. Rerun screw/grab, tag fish & RU power swivel. Using the power swivel we were able to get rougher but still unable to catch anything. POOH, LD screw/grab & SDFD.

Daily Cost \$ 10,000

Daily Cost \$ 33,000

Note: Knight to reimburse Morexco for 6 hours of rig time.

10-03-13 PU impression block, RIH & tag fish. Impression shoed 3/4" rod body looking up (must have straightened it out with screw/grab). PU 4 11/16" fluted shoe to mill off & catch 2 3/8" tubing (10' of extensions then 4 11/16" overshot with 2 3/8" grapple. RIH with 6-3 1/2" DCs on 2 3/8" tubing. Tag fish @ 2,258', wash & work shoe over rods (2,272'). Mill off tubing & catch fish in 2 3/8" grapple. POOH to fish & LD fishing tools. Pull & LD 9 jts of 2 3/8" cork screwed tubing with rods inside. SI&SDFD.

Daily Cost \$ 14,000

Daily Cost \$ 47,000

10-04-13 Continue to LD fish (15 more jts 2 3/8" tubing with rods in all but last jt). Top of fish is now @ 2,977'. PU impression bloc & RIH. Tag fish & POOH with

block. Impression was 3/4" rod body. PU 4 11/16" over-socket with grapple to catch body & RIH. Tag fish but could not get over. POOH, redress over-socket with grapple to catch 3/4" rod box & RIH. Still could not get over fish. POOH, SI & SDFD.

Daily Cost \$ 14,000

Daily Cost \$ 61,000

10-05-13 PU new 4 11/16" fluted shoe, overshot & one jt of was pipe. RIH on 2 3/8" tubing. Tag rods @ 2,979', swallow rods & tag tubing @ 3,009'. PU swivel & mill over fish to 3,015'. Mill quit cutting, POOH, found 1 whole 3/4" & 1 piece of 3/4" rods stuck in a 6' piece of 2 3/8" tubing in the overshot. SI&SDFD.

Daily Cost \$ 17,000

Daily Cost \$ 78,000

10-06-13 SDFWE.

10-07-13 SDFWE.

10-08-13 PU re-dressed fluted shoe with overshot & wash pipe. RIH with 2 3/8" tubing & tag fish @ 3,010', wash & mill to 3,017'. POOH & LD fish. Recovered 5 jts 2 3/8" tubing with rods inside (had 6' of rods hanging out of bottom jt). PU re-dressed fluted shoe, overshot, wash pipe & RIH with 2 3/8" tubing. Tag fish @ 3,147', SI & SDFD.

Daily Cost \$ 17,000

Daily Cost \$ 95,000

10-09-13 Mill over fish (with circulation) to 3,160' & mill quit. POOH with no recovery (mill showed marks on the out side). PU redressed fluted mill & RIH. Tag fish @ 3,160' & mill to 3,161' (2 hrs). Pull up the hole 30', SI & SDFD.

Daily Cost \$ 20,000

Daily Cost \$ 115,000

10-10-13 Continue milling & pump a MF-55 sweep to get cuttings up. Mill to 3,162' & catch fish. Drug fish up the hole 71' & got hung up. Could not work loose @ 75,000#. MI&RU Gray Wireline (Levelland) to back off DCs. RIH with shot & shoot tool joint @ 2,955'. Backed of DC & POOH. POOH & found the DCs had backed off 3 tool joints up @ 2,865'. SI&SDFD.

Daily Cost \$ 20,000

Daily Cost \$ 135,000

10-11-13 PU overshot & fishing tools. RIH catch DCs, bump down, pull up & hit jars. Fish came loose, POOH with original BHA only (shoe, overshot, wash pipe & 4 DCs). PU New Fluted shoe, bushing, overshot, bushing, 1 jt wash pipe, top sub, jars, 10-3 1/2" DCs, accelerator & X-over. RIH on 2 3/8" tubing. Tag fish 3,155', PU power swivel & SDFD.

Daily Cost \$ 25,000

Daily Cost \$ 160,000

10-12-13 Mill to 3,161' while pumping in reverse (recovered lots of metal) & mill quit. POOH, recovered a piece of 2 3/8" tubing & 1-15' piece of 3/4" rod. SI&SDFD.

Daily Cost \$ 23,000

Daily Cost & 183,000

10-13-13 SDFWE.

10-14-13 SDFWE.

10-13-13 RIH with redressed fluted shoe, overshot, wash pipe & 10-3 1/2" DCs (leaving out jars & accelerator because have no returns). Tag fish @ 3,159' & mill to 3,166'. Pick up & pulled 15,000# over weight then lost it. POOH & recovered 3' of 3/4" rod & 7' slice of 2 3/8" tubing. PU redressed fluted shoe &

RBIH with overshot, wash pipe, 10-DCs & 2 3/8" tubing. Tag fish @ 3,166' & SDFD.

Daily Cost \$ 18,000

Daily Cost \$ 201,000

10-16-13 Milled down 10' from 3,166' to 3,176'. Stopped making hole and started to take on weight. POOH (2 points over) with tbg, DC, wash pipe, overshot and fluted shoe. Inside shoe was 5' of tbg and 30' of rods. RIH with redressed fluted shoe, overshot, wash pipe & 10-3 1/2" DCs. Tag fish @ 3,176'. SI and SDFN.

Daily Cost \$ 23,000

Cum Cost \$ 229,000

Prep to continue milling.

10-17-13 Milled down to 3,183', started taking on weight. POOH at 3k over (lost weight coming out) pulled out with 3' of tbg inside shoe. RIH with fluted shoe, overshot, wash pipe & 10-3 1/2" DCs. Tag fish @ 3,183' milled to 3,192'. Stopped milling POOH with 9.5' tbg and 1' piece rod body. SDFN.

Daily Cost \$ 23,000

Cum Cost \$ 252,000

10-18-13 RIH and tag fish @ 3,189', milled 12' to 3,201' & stopped. LD swivel and POOH with redressed fluted shoe, overshot, wash pipe & 10-3 1/2" DCs and tbg. POOH with 12' section of tbg body (not cork screwed). Will RIH with overshot, jars, bumper sub and accelerator in the morning.

Daily Cost \$ 23,000

Cum Cost \$ 275,000

10-19-13 RIH with overshot, jars, bumper sub, accelerator and 6-3 1/2" DCs. Tag fish @ 3,201'. Unable to latch onto fish. POOH with BHA. RIH with redressed fluted shoe, overshot, wash pipe & 10-3 1/2" DCs. Tag fish @ 3,201'. Pull off bottom and SD for weekend.

Daily Cost \$ 23,000

Cum Cost \$ 298,000

10-20-13 SDFWE.

10-21-13 SDFWE.

10-22-13 Milled to 3,205', POOH & recovered 1' piece (slice) of 2 3/8" tubing. LD fishing tools, DCs & tbg. RIH with 90 jnts tbg, ND BOP and NU wellhead. RDMO WSU.

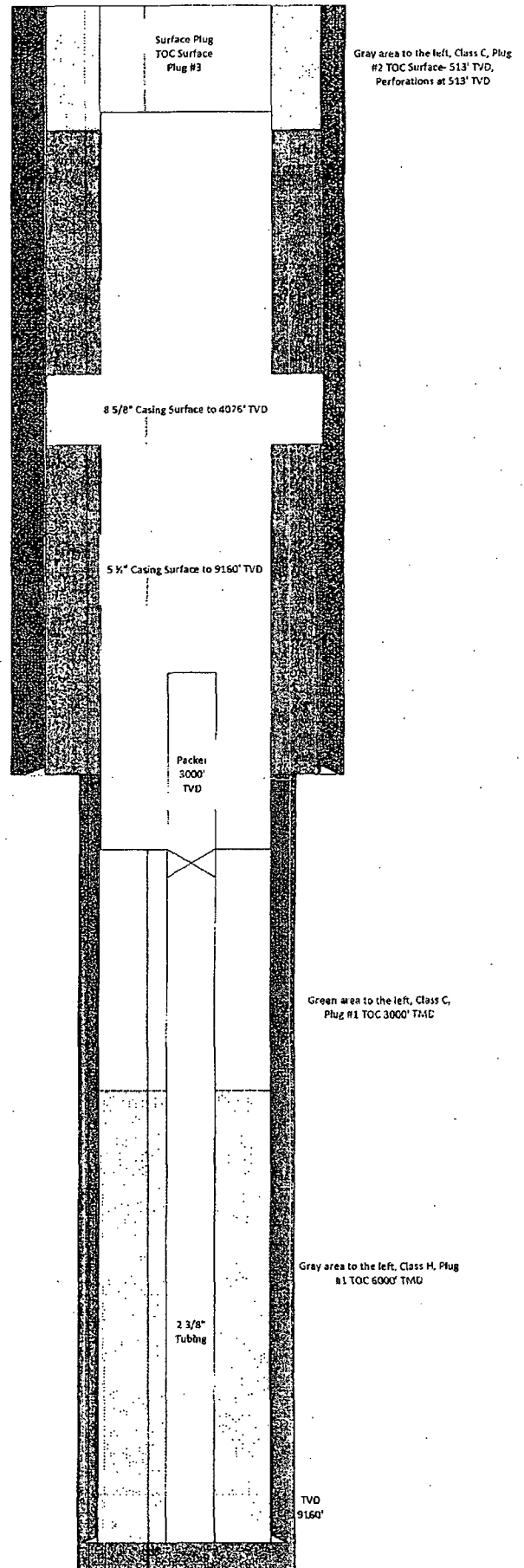
Daily Cost \$ 18,000

Cum Cost \$ 316,000

Murexco
Roughrider Federal #1
Roosevelt County, New Mexico
API # 30-041-2091
Sec 9-75-33E

Proposed Plug and Abandonment Procedure
November 19, 2013

Prepared by
Jarred Barbour



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.