

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOC
HobbsFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010**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. NMNM046153A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator CANO PETRO OF NEW MEXICO, INC.

3a. Address

PO BOX 4470, TULSA, OKLAHOMA 74159-0470

3b. Phone No. (include area code)

918-582-0088

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

UNIT LTR: I 1980' FNL & 660' FEL SEC 33-T07S-R31E

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

8. Well Name and No.

Miller Federal #2

9. API Well No.

30-005-20613

10. Field and Pool or Exploratory Area

TOM TOM (SAN ANDRES)

11. Country or Parish, State

CHAVES COUNTY, NEW MEXI

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 checked="" 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 checked="" 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 recomple 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 recomple 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.)

To return this well to production per Cano/BLM POD of 2014 will:

1. MIRU Well Service Unit & associated equipment.
2. Tally 2-3/8" WS to verify can reach at least to 3965' If enough present then RIH w/ 2-3/8" notched collar on WS & clean out to 3965'.
3. Circ hole clean for 1-1/2 hrs. Then POOH w WS & notched collar.
4. RIH w/2-3/8" WS & AD-1 type tension packer to approximately 3830'. (Must be no higher than 3807' to be within 50 foot limit on MIT. Set packer & run pre-MIT on casing by pressuring tbg annulus to 500 psig and holding for 1/2 hr.
5. Make necessary repairs to production casing if well will not test. (Discuss procedure with Tulsa Engineering. Then once repaired contact BLM & NMOC for witnessed MIT. Must have circular chart to record event and test to 500 psig for 1/2 hr.
6. Upon successful MIT unseat packer & RIH w/WS to 3896'.
7. Spot 1000 gal 15% NEFE acid into annulus. POOH w. WS & pkr to 1950'. Close csg valves and squeeze acid into perms. Over displace by 2 Bbl with produced water from nearby lease. NOTE SITP at 5 minute intervals to 30 minutes, at 1/2 hr intervals for 2 hrs.
8. RIH w/ WS & pkr to 3885'. Then begin to flow and swab spent acid load.
9. POOH w/WS & pkr. RIH w/new 2-3/8" tubing string made up of 1 BPMA jt, 1- 4'X2-3/8" perf'd sub, a 2" SN, & tbg to put end of MA @ 3850' +/-.
10. RIH w/ 2' gas separator on bottom of 1.5" RWAC pump and straight 3/4" rods & pony rods to space out into SN.
11. Long stroke well with rig to assure proper pump action.
12. RDMO Service Unit & hang well on pump

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

David P. Spence

Title

Senior Oil & Gas Engineer

Signature

David P. Spence

Date

7/17/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Angel Mayes

Assistant Field Manager,
Lands And Minerals

Date

8-11-14

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

K2

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)

AUG 20 2014

Miller Federal 2
30-005-20613
Cano Petro of New Mexico, Inc.
August 11, 2014
Conditions of Approval

1. **Operator Steps 4-5 – Before casing or a liner is installed or replaced or repaired prior BLM approval of the design is required. Operator shall run a Cement Bond Log prior to proposing any cement squeeze operations as this will allow cement operations that could assist with final cementing requirements when the well is plugged and abandoned. BLM witnessed pressure test required – 24 hour notice. Use notice of intent Form 3160-5.**
2. Surface disturbance beyond the existing pad shall have prior approval.
3. 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.
4. Functional H₂S monitoring equipment shall be on location.
5. 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 1000psig. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
6. 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.
7. 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.
8. File **subsequent report** Form 3160-5 within 30 days of completing the work. Provide well bore schematic and well test information.

Access information for **use of Form 3160-5** “Sundry Notices and Reports on Wells”

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.