

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.

HOBBS OCD
OCD Hobbs
DEC 12 2012
RECEIVED

5. Lease Serial No.
NMNM029029B

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

Pierce Production Company, LLC

3a. Address

P. O. Box 2079; Midland, TX 79702

3b. Phone No. (include area code)

(432)570-6009

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

8. Well Name and No.
Sims Federal #2

9. API Well No.
30-025-22904

10. Field and Pool or Exploratory Area

Brunson Drinkard Abo South

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

11. County or Parish, State

Lea

New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA
SW4/NE4 Section 7- T22S - T38E

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 checked="" 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 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 must 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 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.)

Proposed steps to convert well to Temporary Abandoned Status; TA status requested for one (1) year:

- 1.) POOH with 2 3/8" tubing string and lay down same in singles, haul to yard.
- 2.) RIH w/gauge ring and junk basket to top of 4 1/2" liner @ 5,793' KB measurement. Set 7" cast iron bridge plug (CIBP) @ depth of 5,790' KB measurement. - SEE COAS
- 3.) Load casing with fresh water containing corrosion inhibitor and pressure test same to 500# for 30 minutes, record test on pressure chart to be sent to appropriate BLM office. Appropriate BLM office to be notified 24 hours prior to pressure test to allow BLM personnel adequate time to witness pressure test.

Pertinent Information:

4 1/2" production liner 5,793' - 7,905' cemented w/220 sacks of Class "H". Liner top squeezed w/250 sacks of Class "H"

Existing Abo perms inside 4 1/2" production liner: 7,079' - 7,659' - SEE COAS

Existing 4 1/2" CIBP @ 7,680'

Granite Wash perms below 4 1/2" CIBP: 7,710' - 7,881'.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

W. A. Pierce

Title President

Signature

Date 11/05/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

SPET

Date

12/7/12

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

CFO

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 14 2013

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, **placed with tubing**.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...**

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval **with well bore diagram** with all perforations and CIBP's and tops of cement on CIBP's.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. **Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.**

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

Sims Federal #2

1. Well may be approved to be TA/SI for a period of 6 months or until 5/10/2013 after successful MIT and subsequent report is submitted.
2. Place a cement plug across top of perms at 7079 – 7659. The plug must extend a minimum of 50 feet above top perf. and be tagged to verify placement. A cement plug across the top of liner at 5794' will also be required. This plug will be minimum of 100' in length and set from 5844' to 5744. Tag plug to verify placement prior to performing MIT test as per 2. b.
3. This will be the last TA approval for this well.
4. Contact BLM 24 Hrs. prior to setting of plugs so as it may be witnessed.