

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
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.***SUBMIT IN TRIPLICATE – Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

EnergyQuest

3a. Address

4526 Research Forest Dr. Ste. 200
The Woodlands, TX 77381

3b. Phone No. (include area code)

281-875-6500

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

760 FSL & 560 FEL
Sec. 27, T8S, R36E

5. Lease Serial No.

NM 53389

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

El Zorro B Federal No. 001

9. API Well No.

30-041-20815

10. Field and Pool, or Exploratory Area

Alison Penn

11. County or Parish, State

Roosevelt County, New Mexico

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
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well
<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	

INT TO PA
P&A NR
P&A R

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 to 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 shall 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 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.)

1. MIRU plugging equipment. POH w/ production equipment.

2. CIBP @ 9500'. Circulate hole w/ mud laden fluid.

3. Spot 20 sx cement @ 9500-9350.

4. Spot 20 sx cement @ 8965-8765

5. Spot 20 sx cement @ 5950-5800

6. Perf & Sqz 65 sx cement @ 4050-3950. WOC & Tag.

7. Perf & Sqz 45 sx cement @ 2415-2215. WOC & Tag. Top of Salt)

8. Perf & Sqz 75 sx cement @ 660-338. WOC & Tag. (Shoe) (50' above Shoe)

9. Perf & Sqz 30 sx cement @ 60-surface.

10. Cut off wellhead and weld on Dry Hole Marker.

SEE ATTACHED FOR
CONDITIONS OF APPROVALApproved as to plugging of the
well bore. Liability under bond
is retained until surface resto-
ration is completed.

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

Name (Printed/Typed)

Ben Montgomery

Title

Agent

Signature

Ben Montgomery

Date

2-8-16

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

FEB 29 2016

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)

FOR RECORD ONLY

mw/ocd 03/07/2016

MAR 08 2016

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Energy Quest
EL Zorro B Federal #1
30-041-20815
760 FSL + 560 FEL
27-T85-R36E
Roosevelt County

13 $\frac{3}{8}$ @ ~~350~~ 353' W/Cement Circulated

8 $\frac{5}{8}$ @ ~~4000~~ 4140' W/Cement Circulated

Perfs @ 9598-9612

5 $\frac{1}{2}$ @ ~~9800~~ 9706' W/Cement Circulated

Energy Quest

EL Zorro B Federal #1

30-041-20815

760 FSL + 560 FEL

27-T85-R36E

Roosevelt County

⑦ Perf + sqz 30 sx 10' to surface

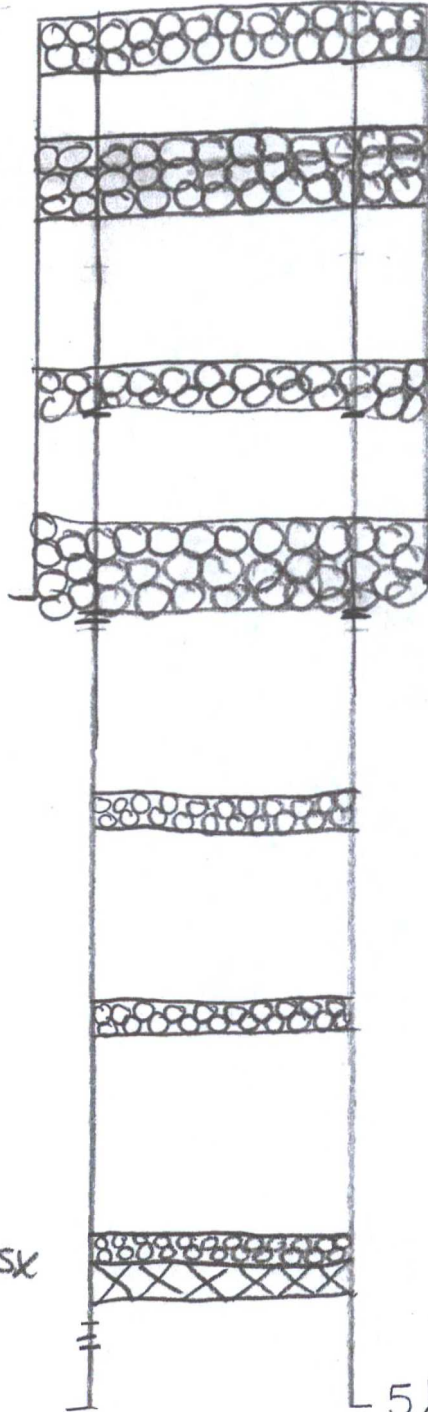
⑥ Perf + Sqz 75 sx @ 660-338 Tag (shoe) 300'

④ Perf + Sqz 65 sx @ 4050-3950 (Tag) 4190-4090'

③ 20 sx @ 5950-5800

② 20 sx @ 8965-8765

① CIBP @ 9500 w/ 90 sx Perfs @ 9598-9612



13 3/8 @ 353' W/Cement circulated

⑤ Perf + Sqz 45 sx @ 2415-2215 Tag (Top of salt)

8 5/8 @ 4140' W/Cement Circulated

5 1/2 @ 9706' W/TOC @ ±3500'

**El Zorro B Federal 1
30-041-20815
Energy Quest
February 29, 2016
Conditions of Approval**

HOBBS OCD

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Note: Per sundry submitted in April 2003 there may or may not be plugs already existing down hole. If operator encounters plugs they have approval to plug from that depth per the approved COAs.

- 1. Operator shall place CIBP at 9,500 (50'-100' above top most perf) and place 20sx of Class H cement on top as proposed. WOC and TAG.**
- 2. Operator shall place a balanced Class H cement plug from 8,965'-8,765' as proposed. WOC and TAG.**
- 3. Operator shall place a balanced Class C cement plug from 5,950'-5,800' as proposed. WOC and TAG.**
- 4. Operator shall place a balanced Class C cement plug from 4,190'-4,090' to seal the 8-5/8" shoe as proposed. WOC and TAG required.**
- 5. Operator shall place a balanced Class C cement plug from 2,415'-2,215' to seal the Salt. WOC and TAG.**
- 6. Operator shall place a balanced Class C plug from 660'-300' to seal the 13-3/8" shoe. WOC and TAG.**
- 7. Operator shall place a balanced Class C cement plug from 60' - surface as proposed**
- 8. See Attached for general plugging stipulations.**

JAM 022916

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 W. Second Street
Roswell, New Mexico 88201
575-627-0272

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MAR 07 2016

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General Requirements for Plug Backs

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 this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. Call 575-627-0205.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine 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 are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement.

Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back 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 work was completed.**

7. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.