Form 3160-5 (August 2007)

UNITED STATES TO DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

OCD Artesia

FORM APPROVED OMB NO 1004-0135 Expires July 31, 2010

Expires July 31, 25. Lease Serial No.

NMLC0289921

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name			
SUBMIT IN TRIPLICATE - Other instructions on reverse side.					7. If Unit or CA/Agree NMNM72577	7. If Unit or CA/Agreement, Name and/or No. NMNM72577		
1. Type of Well — Gas Well — Other					8 Well Name and No. CEDAR LAKE ADI 1			
Onl Well Gas Well Other 2. Name of Operator Contact: BRIDGET HELFRICH					9. API Well No			
ENERVEST OPERATING, L.L.C. E-Mail: bhelfrich@enervest.net 3a. Address 3b. Phone No. (include area code)					30-015-25494 10. Field and Pool, or Exploratory			
1001 FANNIN STREET SUIT HOUSTON, TX 77002	Ph: 713-495-6537 Fx: 713-615-1429			BONE SPRING	BONE SPRINGS			
4 Location of Well (Footage, Sec., T, R, M., or Survey Description) Sec 26 T17S R30E SWNW 2140FNL 660FWL			^	11 County or Parish, and State EDDY COUNTY, NM				
Sec 26 11/5 H30E SWNW 2			EDDY COUNTY	, INIVI				
12. CHECK APP	ROPRIATE BOX(ES) TO) INDICATE	NATURE OF	NOTICE, R	EPORT, OR OTHE	R DATA		
TYPE OF SUBMISSION . TYPE OF				F ACTION		·		
Notice of Intent	Notice of Intent		Deepen		☐ Production (Start/Resume)		□ Water Shut-Off	
Subsequent Person		_	ture Treat	☐ Reclamation		☐ Well Integrity ☐ Other		
☐ Subsequent Report	. –		Construction	_	Recomplete			
Final Abandonment Notice	☐ Change Plans	_	and Abandon	_	Temporarily Abandon			
	Convert to Injection	□ Plug	Plug Back Water Disposal					
testing has been completed. Final Al determined that the site is ready for f Enervest Operating, L.L.C. refuther avaluation.	inal inspection)	·	•		•	and the operator	nas	
further evaluation.	T GEE ATTACH	EU EUD			APPR	OVED	To Pertorn	
RECEIVED SEE ATTACHED FOR JUN 15 2011 CONDITIONS OF APPROVAL					JUN 1 Gonha	1 2011	SEE	
NMOCD ARTES		AC	Cepted for NMOCD		BUREAU OF LAN CARLSBAD F	D MANAGEMI	ENT	
14 Thereby certify that the foregoing is	Electronic Submission #	110242 verified OPERATING	by the BLM We L.L.C., sent to t	ell Information he Carlsbad	n System			
Name(Printed/Typed) BRIDGET	Title REGUI	_ATORY TE	CH.					
Signature (Electronic S	Date 06/09/2	2011 .		•				
	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE U	SE			
Approved By			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					

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.

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.
 - 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.

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

- 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.

Cedar Lake ADI #1 Well may be approved to be TA/SI for a period of 90 days or until 9/12/2011 after successful MIT and subsequent report with well bore diagram is submitted. This will be the only TA approval for this well. Well must be returned to production, beneficial use or plans to P&A must be submitted by September 12, 2011.