

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM 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
NMNM 25494

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7 If Unit of CA/Agreement, Name and/or No
NMNM721178 Well Name and No
SHELL FEDERAL #19 API Well No
30-015-2223210. Field and Pool or Exploratory Area
INDIAN BASIN; STRAWN, NW (Gas)11. Country or Parish, State
EDDY COUNTY, NM

1 Type of Well

☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
THREE RIVERS OPERATING CO., LLC3a. Address
1122 S. Capital of TX Hwy, #325
Austin, TX 787463b. Phone No (include area code)
512-706-9849

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

1980' FEL & 1980' FSL J-06-21S-24E

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 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 type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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 recompleting 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.)

Plug back from Strawn (8525'-8976') & recompleting in the Wolfcamp (7405'-7429').

PROCEDURE:

1. Prepare location; check anchors.
2. Set frac tanks, closed loop system.
3. MIRU, blow down tbg & csg to tanks.
4. Load tbg & annulus w/ brine water to kill well.
5. Nipple down tree; nipple up BOP (5k).
6. Release pkr & pull tbg; pull tbg & pkr OOH; keep hole full.
7. RIH w/ bit & scraper to 8500' (hydrotest tbg), circulate well with acid/chemical to clean csg.
8. Pull bit & scraper OOH.
9. Rig up wireline; RIH w/ gauge ring to 8500'.
10. Set CIBP @ 8500' & dump 35; cmt plug on top of CIBP.
11. Pressure up on csg to 2500# to test integrity.
12. If OK, proceed.
13. Run GR-CCL-CBL-CIL from 8465' (PBTD) to TOC (est. 7390').

CONTINUED ON NEXT PAGE.....

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

TOM STRATTON

Title OPERATIONS MANAGER

Signature

Date 02/27/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

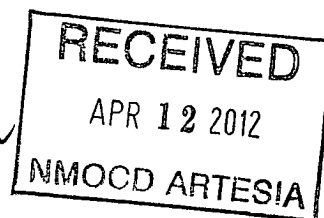
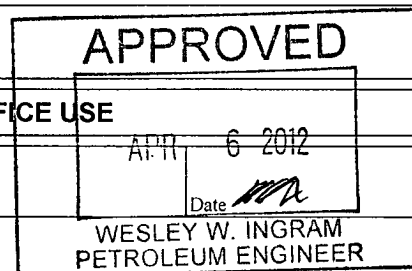
Title

Office

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 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)

Accepted for record
NMOCD
TOS
4/13/12SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. Perforate 7405'-7410', 7414'-7419', 7425'-7429' w/ 2 jspf (28 holes.)
15. RIH w/ tbg & arrow set 1 pkr to 7450'.
16. Spot 250 gals 15% Hcl NEFE.
17. Set pkr @ 7350', pressure up on csg to 500#.
18. Pressure up on tbg to breakdown perms 7405'-7429'.
19. Swab well & evaluate zone for production & stimulation.

3 RIVERS - SHELL FEDERAL #1

API 30-015-22232

SEC 6 - 215-24E

INDIAN BASIN, STRAWN NW (GAS) EDDY CO. NM

CURRENT WELLBORE:

13 3/8" 48# H40C 447'

8 5/8" 32# J24# J55C 2424'

CMT CIRC

BHP 3' BS 3630-60'

* BHP - 3' d ^{WC} ~~BS~~ C 6665-6710'

TDL - 7390' (T/S)

* BHP WC 7405-7429'

8528-32

2 3/8" T₈₅ @ 8669 w/ BAKER LOK-SET PKR (3/4/80)

8772-80

STRAWN

8874-82

8922-76

TOLC 9430'
CIBPO 9465'
T/MRW 9491'

T CIBP 121

9465

CIBP
9680

67 JTS N80 11.6" (2505')

108 JTS K55 N.6" (4343')

50 JTS N80 11.6" (2010')

9860-6355'

6355-2012'

2012 - SURF.

4 1/2" @ 9860' w/ 650 SX

Three Rivers Operating Co.

SHELL FEDERAL #1

SEC 6-215-24E

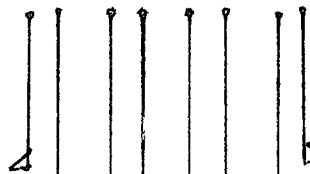
API# 30-D15-22232

CEMETARY (WOLF CAMP)

EDDY CO. NM

INDIAN BASIN

PROPOSED RECOMPLETION



13 3/8" 48# H40 @ 442' w/ 500 SX
CMT CIRC



8 7/8" 32 1/2# J55 @ 2424'
CMT w/ 1100 SX CMT CIRC

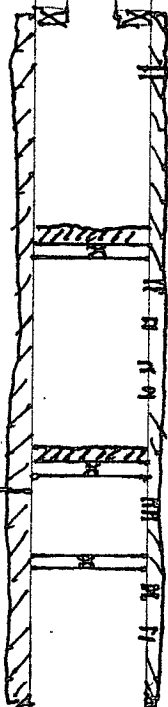
T/WC @ 6498'



2 3/8" N80 @ 7350' w/ ARROW SET / PKR

TOC @ 7390' (T/S)

W/C 7405-7429' w/ 2 JS PF



CIBPE 8500' CMT w/ 35' PLUG TOC @ 8465'
CSC @ 8528-32

STRAON
8722-80'
8874-82'
8922-76'

T/MRW @ 9491'

SIBPE @ 9465' w/ 35' CMT (TOC @ 9430'
MRW 9541-9671'

CIBPE @ 9680'
MRW 9688-97' SQZ'D w/ 100 SX
MRW 9745-50'

4 1/2" 11.6# N80 @ 9860'
CMT 'D' w/ 650 SX TOC 7390'

RECOMPLETION GEOLOGICAL PROGNOSIS

Well Name:	SHELL FEDERAL-1	API #:	30-015-22232
Field / Prospect Area:	CEMETARY	GL:	3,779'
Location (NAD 27):	County: Eddy	State:	NM
US State Plane NAD27	Footage Calls: 1980 FSL 1980 FEL	Lon.:	-104.5356200
New Mexico East 3001	Section: 6	Lat:	32.5064700
	Township: 21S		
	Range: 24E		
Current Total Depth:	9,850'	Target Formation:	Cisco
Nearest Producing Well:			
Well Type:	OAP - Recompletion		

Primary Contact	Travis Kinley	Secondary Contact	Barry Smith
Office	512-706-9845	Office	512-600-3184
Cell	817-437-3857	Cell	214-226-9955
Email	tkinley@3rnr.com	Email	bsmith@3rnr.com

KB (open-hole Logs) 3,791'

Formation Tops	TVD
San Andres	785'
Glorietta	2,456'
Bone Spring (top of Lime)	3,229'
Wolfcamp	6,498'
Cisco	7,096'
Canyon	7,863'
Strawn	8,648'
Atoka	9,138'
Morrow	9,491'
TD	9,850'

Mail Logs To:

Travis Kinley
 Three Rivers Operating Co.
 1123 S. Capital of Texas Hwy., Suite 325
 Austin, TX 78747

Synthia Prescott
 Three Rivers Operating Co.
 10717 Hwy. 191, Suite 9
 Midland, TX 79708

Recommendation:

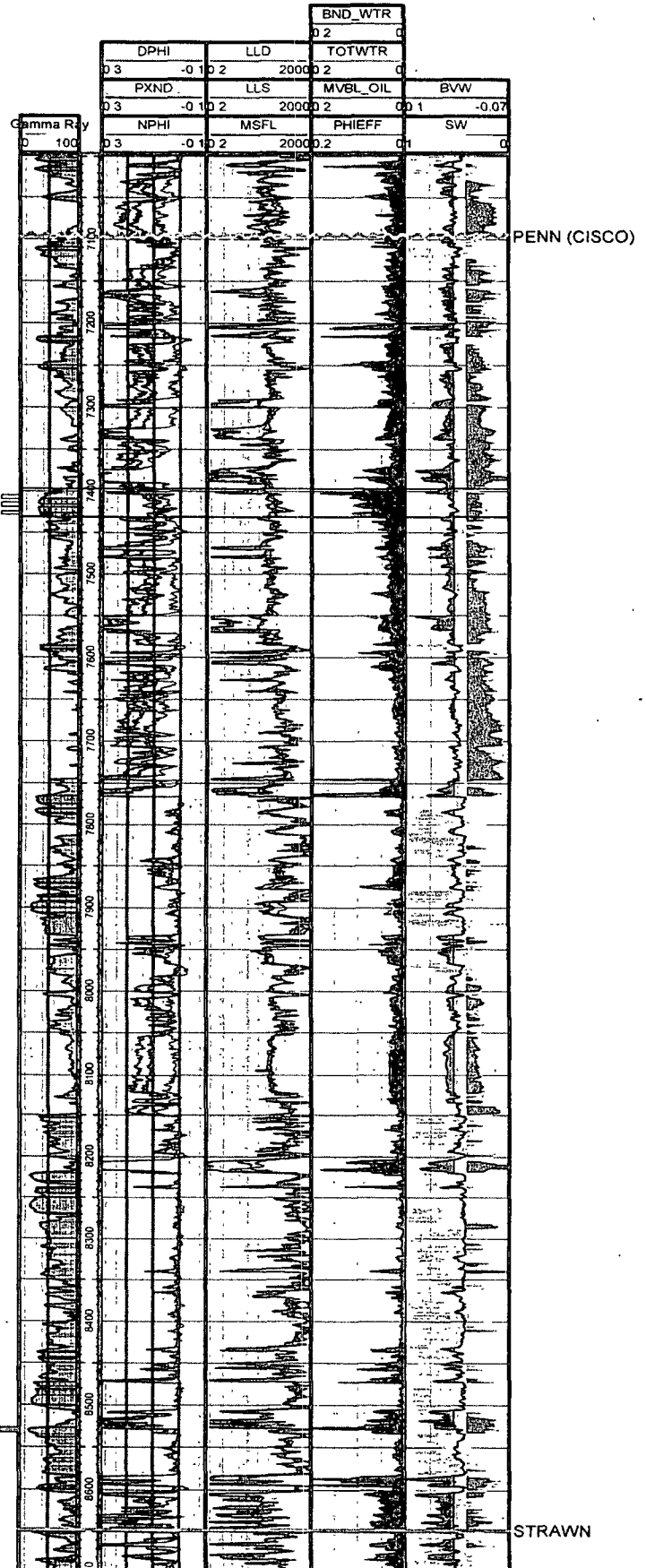
Perf, acidize & frac the proposed Cisco sand at 7,401'-7,430.

This particular sand has not been tested in the area. However, it is found to be fairly extensive in the immediate offsets. The proposed zone calculates well (ave true measured Φ = 13%, Sw = 28%), and a significant show was documented on the mudlog in this well and in one of the offsets.

	Gross ft	Net ft	Cutoffs	Lithology
7401' - 7430'	29	14	XPHI > 8%	Sandstone

** Porosity converted from limestone matrix 9% = 13% sandstone matrix.

30015222320000
 SHELL FEDERAL-1
 THREE RIVERS OPER CO



TOP	BASE
7405	7410
7414	7419
7425	7429

Conditions of Approval

Three Rivers Operating Co., LLC

Shell Federal #1

API 3001522232

April 6, 2012

1. **A C-102 shall be submitted when completing to another formation.**
2. **According to operator's geological prognosis, the recompletion is actually in the Cisco.**
3. BLM contact phone numbers: 575-200-7902/575-361-2822. If no answer, leave a voice mail with the API#, work over purpose, and a call back phone number. Make arrangements 24 hours before plug back procedures to be witnessed.
4. Surface disturbance beyond the existing pad must have prior approval.
5. A closed loop system is required. The operator shall properly dispose of drilling contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
6. H₂S monitoring equipment to be used on location and functional.
7. A minimum of 5000 (5M) BOPE is to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (5M) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
8. 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.
9. **Current top of cement for the 4-1/2" production casing is 7390' based on a temperature survey. This is not adequate protection for the casing above for any pressure treatment of the perforations and definitely not for a fracture treatment – only 15 feet from top perforation to top of cement. Operator shall perform a remedial cement job to provide a minimum of 200' of protected casing above the uppermost perforation. Also, the current top of cement will not enable proper plugging of the well with either a CIBP or cement plug.**
10. **Tag the CIBP at 9500' with tubing. If tag does not indicate a minimum of 35' of cement, operator shall pump a 25 sack Class "H" (mixed 15.6lb/gal, 1.18ft³/sx, and 5.2g/sx) cement plug.**

11. Operator shall WOC a minimum of 4 hours and then spot 20bbl mud to above 8500. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
12. Spot a minimum of a 25 sack Class "H" (mixed 15.6lb/gal, 1.18ft³/sx, and 5.2g/sx) cement plug on the CIBP to be set at 8500. Any plug that requires a tag or pressure test will have a minimum WOC time of 4 hours.
13. After setting the above plug and before perforating, BLM PET to witness the proposed 2500 psig casing integrity test. Test to be charted. Pressure leak off will require review and possible correction prior to perforating. Include a copy of the chart in the subsequent sundry for this work over.
14. Operator to submit copy of log run in operator's step 13.
15. File a subsequent sundry Form 3160-5 within 30 days of the plug back and acid treatment. Include an updated wellbore diagram.
16. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
17. Work over approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

PRS 032912/WW1 040612

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

Use of Form 3160-5 "Sundry Notices and Reports on Wells"

§ 43 CFR 3162.3-2 Subsequent Well Operations.

a) A proposal for further well operations shall be submitted by the operator on Form 3160-5 for approval by the authorized officer prior to commencing operations to redrill, deepen, perform casing repairs, plug-back, alter casing, perform nonroutine fracturing jobs, recompleat in a different interval, perform water shut off, commingling production between intervals and/or conversion to injection. If there is additional surface disturbance, the proposal shall include a surface use plan of operations. A subsequent report on these operations also will be filed on Form 3160-5. The authorized officer may prescribe that each proposal contain all or a portion of the information set forth in §3162.3-1 of this title.

(b) Unless additional surface disturbance is involved and if the operations conform to the standard of prudent operating practice, prior approval is not required for routine fracturing or acidizing jobs, or recompleat in the same interval; however, a subsequent report on these operations must be filed on Form 3160-5.

(c) No prior approval or a subsequent report is required for well cleanout work, routine well maintenance, or bottom hole pressure surveys.

[47 FR 47765, Oct. 27, 1982. Redesignated and amended at 48 FR 36583–36586, Aug. 12, 1983, further amended at 52 FR 5391, Feb. 20, 1987; 53 FR 17363, May 16, 1988; 53 FR 22847, June 17, 1988]

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

(c)(1) The information collection requirements contained in part 3160 have been approved by the Office of Management and Budget under 44 U.S.C. 3507 and assigned the following Clearance Numbers:

Operating Forms

Form No.	Name and filing date	OMB No.
3160-3	Application for Permit to Drill, Deepen, or Plug Back—Filed 30 days prior to planned action	1004-0136
3160-4	With Completion of Recompletion Report and Log—Due 30 days after well completion	1004-0137
3160-5	Sundry Notice and Reports on Wells—Subsequent report due 30 days after operations completed	1004-0135

The information will be used to manage Federal and Indian oil and gas leases. It will be used to allow evaluation of the technical, safety, and environmental factors involved with drilling and producing oil and gas on Federal and Indian oil and gas leases. Response is mandatory only if the operator elects to initiate drilling, completion, or subsequent operations on an oil and gas well, in accordance with 30 U.S.C. 181 *et seq.*

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

Not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed.