

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103

May 27, 2004

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.

30-015-22613

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil &amp; Gas Lease No.

020575

7. Lease Name or Unit Agreement Name:

Adams Federal

8. Well No. 1

9. OGRID Number

00920

10. Pool name or Wildcat

Gatuna Canyon Bone Springs

## SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Hanley Petroleum

3. Address of Operator

415 W. Wall, Ste. 1500, Midland, TX 79701

4. Well Location

Unit Letter N : 660 feet from the South line and 2080 feet from the West line  
Section 31 Township 19-S Range 31-E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3440.5

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

## 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

## NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

## SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐OTHER: ☐OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1. Set 5 1/2 CIBP @ 7930'. Circulate hole w/ mud laden fluid. Spot 25 sx cement on top of plug.
2. Set 5 1/2 CIBP @ 6400'. Spot 25 sx cement on top.
3. Cut and pull 5 1/2 casing @ +/- 4200'.
4. Spot 40 sx cement @ 4250-4150. (stub plug & 8 5/8 shoe plug). WOC & Tag.
5. Spot 50 sx cement @ 2150-2000.
6. Spot 40 sx cement @ 1050-950. WOC & Tag
7. Circualte @ 100' to surface.
8. Cut off well head and install Dry Hole Marker

RECEIVED

MAY 21 2012

NMOCD ARTESIA

Federal Well: file w/BLM

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE

G. Mulloy

TITLE Agent

DATE 05/07/12

Type or print name Gary Mulloy

E-mail address:

Telephone No. 432-687-0323

For State Use Only

APPROVED BY

TITLE

DATE

Conditions of Approval (if any):

Hanley Petroleum  
Adams Federal #1  
Unit N Sec. 31, T-19S, R-31E  
Eddy Co., NM  
API #: 30-015-22613

#### Equipment & Design:

Lone Star Oil & Gas, Inc. will use a closed loop system in the plug and abandonment of this well. The following equipment will be on location:

- (1) 250 bbl steel reverse tank

#### Operations & Maintenance:

During each day of operation, the rig's crew will inspect and closely monitor the fluids contained within the steel tank and visually monitor any release that may occur. Should a release, spill or leak occur, the NMOCD District 1 office Hobbs (575-393-6161) will be notified, as required in NMOCD's rule 19.15.29.8.

#### Closure:

After plugging operations, fluids and solids will be hauled and disposed at Gandy-Marley Disposal's location, permit number NM 01-0019. Secondary site will be Sundance Disposal, permit number NM 01-0003.