N.M. OIL CONSERVATION DIVISION
811 S. FIRST STREET
ARTESIA, NM 88210

Form 3160-5
(March 2012)

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.

SUBMIT IN TRIPLICATE *– Other instructions on page 2.*

5. Lease Serial No.
NM 38342

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
Helen Collins Federal #3

2. Name of Operator
Pecos River Operating, Inc.

9. API Well No.
30-005-62072

3a. Address
PO box 1433, Roswell, NM 88202-1433

3b. Phone No. *(include area code)*
575 622 1001

10. Field and Pool or Exploratory Area
Pecos Slope Abo

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
660 FSL, 1980 FWL, Section 9, T7S, R26E

11. County or Parish, State
Chaves, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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.)

We plan to plug this well because it has been producing at un-economic rates for several years. The perforated interval is from 4132 to 4156'..
We propose to plug the well as follows:

Set a CIBP @ 4080' and dump 35' of cement on top to cover the perforated interval. The hole will then be loaded with 9# fluid persuant to BLM Regulations. Please See Stipulations WOC & Tag

Set a CIBP @ 1692' and dump 35' of cement on top to cover the top of the Glorietta Formation @ 1692'. Please See Stipulations WOC & Tag

Perforate squeeze holes at 750' and attempt to get circulation, if no circulation, perforate squeeze holes @ 700' and attempt to get circulation around 5 1/2". after determining circulation or not, perforate squeeze holes at 60'.

Depending on outcome of previous step;
IF NO CIRCULATION at 700-750' fill casing from 815' to surface inside and out of annulus
IF CIRCULATION was obtained at 700-750', pump a 50 sx plug at 815', WOC and tag, if tag is below 715'. repump and re-tag plug.

After plugging is complete, a dry hole marker will be installed and the location cleared and leveled.

NOTE: A detailed well bore diagram showing the current wellbore and plugging plan has been attached.

RECEIVED
OCT 21 2013
NMOCD ARTESIA

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

Title President

Signature

Date 09/13/2013

Accepted for record
NMOCD
Wade 10/22/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
/S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date SEP 30 2013

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 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)

APPROVED FOR 3 MONTH PERIOD
ENDING DEC 30 2013

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Pecos River Operating, Inc.

WELL BORE DIAGRAM

PROPOSED PLUG PROGRAM

Helen Collins Fed #3

Squeeze holes @ 60'

Either a Solid plug from 815 to Surface
OR
A plug from 815 tagged higher than 715' and a plug from 60 to surface, inside and out of 5 1/2".

Squeeze holes @ 765 and poss 700
If circulation through these holes is not possible, it must be assumed that there is cement behind the 5 1/2"

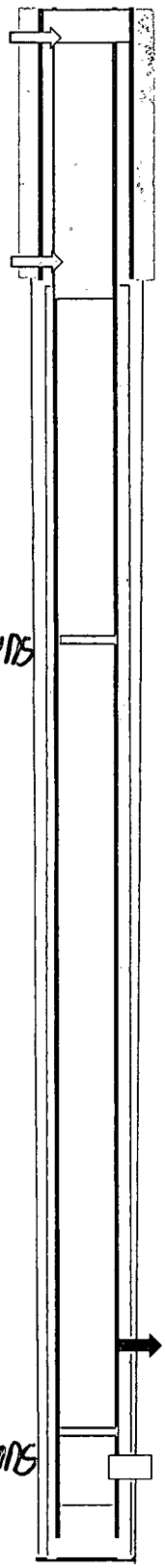
Formation Tops

San Andres 595'

8 5/8" 24# J-55 @ 765', 200 sx, Circulated

TOC by temp survey in 1982 @ 770'

Note, the second stage of the cement job pumped 1328 ft3 of cement, the annulus calculates to hold 644 ft3, It is assumed that cement filled the entire annulus.



Please See Stipulations
CIBP @ 1692' w/~~35~~ cmt

Glorietta 1692

DV Tool @ 3718, second stage 970 sx

Please See Stipulations
CIBP @ 4080 w/~~35~~ cmt

Abo 4298

Perforations: 4132 to 4156

PBTD

5 1/2 17.5# J-55 @ 4300, 1st stage 100 sx

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(575) 627-0272

Permanent Abandonment of Federal Wells
Conditions of Approval

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 the approval date of this Notice of Intent to Abandon. **If you are unable to plug the well by the 90th day provide the BLM Roswell Field Office (RFO), prior to the 90th day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action. Unless the well has been properly plugged, the rig shall not be removed from over the hole without prior approval.**

2. Notification: Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of 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 not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to the BLM Roswell Field Office. The report should give in detail the manner in which the plugging 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 well was plugged.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.