Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR

		FOR	M A	PPR	OVI	ED
		OMB	NO.	100	4-0	137
	E	xpires	: Jan	uary	31,	20
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SUNDRY Do not use thi	JREAU OF LAND MANA NOTICES AND REPOI s form for proposals to I. Use form 3160-3 (API	RTS ON WELLS, drill or to re-enterantes in	5. Lease Serial NMNM152				
SUBMIT IN 1	7. If Unit or CA	A/Agreement, Name and/or No.					
Type of Well Oil Well		8. Well Name and No. CK 7 FEDERAL 2					
Name of Operator RIDDLE ENGINEERING COR		9. API Well No. 30-015-33421-00-S1					
3a. Address CORPUS CHRISTI, TX 7842	7	3b. Phone No. (include area code) Ph: 361-452-2703 Fx: 361-452-2642		0. Field and Pool or Exploratory Area WHITE CITY-WOLFCAMP			
4. Location of Well (Footage, Sec., T	11. County or I	or Parish, State					
Sec 7 T24S R26E SWNE 252	EDDY CO	UNTY, NM					
12. CHECK THE AF	PPROPRIATE BOX(ES)	TO INDICATE NATURE OF	F NOTICE, REPORT, OR	OTHER DATA			
TIL OF BODIMONO.							
■ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resur	· -			
☐ Subsequent Report	☐ Alter Casing	Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity			
	Casing Repair	□ New Construction	Recomplete	☐ Other			
☐ Final Abandonment Notice	☐ Change Plans	Plug and Abandon	▼ Temporarily Abandon				
	Convert to Injection	☐ Plug Back	☐ Water Disposal				
13. Describe Proposed or Completed Ope If the proposal is to deepen direction: Attach the Bond under which the wor following completion of the involved testing has been completed. Final Abdetermined that the site is ready for fine Riddle Engineering Corp. recu	ally or recomplete horizontally, k will be performed or provide operations. If the operation re- andonment Notices must be fil- inal inspection.	give subsurface locations and measur the Bond No. on file with BLM/BIA sults in a multiple completion or reco ed only after all requirements, including	red and true vertical depths of al Required subsequent reports n impletion in a new interval, a Fo- ing reclamation, have been comp	1 pertinent markers and zones. nust be filed within 30 days rm 3160-4 must be filed once pleted and the operator has			
Riddle Engineering Corp. required year. The reason for this required activity in the Strawn and Cisc	frac others.	NM OIL CONSERVATION ARTESIA DISTRICT					
The proposed temporary abar diagrams.	ndonment procedure is att	ached along with current and Accepted for reco		AUG 09 2017			

This well has not produced in 2 years. This will be the last TA approval. Well

must be plugged or producing by 08/02/2018.

NMOCD RF 8/14/17 RECEIVED SEE ATTACHED FOR CONDITIONS OF APPROVAL

Electronic Submission #381179 verified by the BLM Well Information System
For RIDDLE ENGINEERING CORP, sent to the Carlsbard
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/16/2017 (17PP0683SE) Name (Printed/Typed) EDUARDO A RIDDLE Title (Flectronic Submission)

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THIS SPACE FOR FEDERA	L OR STATE	ÞF	FI	E USE	$\overline{7}$	7	X	$\sqrt{}$	
Approved By	Title			AUG		2 2017			<u> </u>
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		Bi	HREAU OF	ÂN D FI	n Miada Lidaffic	E /	<i>////</i>	T

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.

Signature

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED **

* BL/M REVISED*** BLM REVISED **

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Approved for a period of 12 months ending 08/02/2018 subject to conditions of approval.

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. CIBP must be capped with minimum 25 sacks cement, placed with tubing, or 35 feet of cement if placed with bailer.
 - 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. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...

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

- 1. 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.

CK 7 Federal 2

- 1. Well is approved to be TA/SI for a period of 12 months or until 08/02/2018
- 2. This will be the last TA approval for this well.
- 3. Must submit NOI to recomplete or NOI to P&A. Must be submitted by 08/02/2018
- 4. COA's met at this time.