N.M. Oil Cons. DiV-Dist. 2 W. Grand Avenue

DEPARTMENT OF THE ENTERIOR 88210 BUREAU OF LAND MANAGEMENT

NOV 13 2008

OCD-ARTESIA

999
FORM APPROVED
OM B No 1004-0137
Expires: March 31, 2007

5 Lease Serial No. NM-92754

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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.				6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE- Other instructions on reverse side.				7. If Unit or CA/Agreement, Name and/or No. 8. Well Name and No. Fajita Federal Com. #1 9. API Well No.		
Type of Well Oıl Well □ Gas Well □ Other						
. Name of Operator Primero Operating, Inc.						
A. Address PO Box 1433, Roswell, NM 88	202-1433	3b Phone No (include 575 626 7660	area code)	30 005 60190 10. Field and Pool, or Exploratory Area		
Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FSL and 990' FEL, T.159., R.27E.				Buffalo Valley; Atoka Gas 11. County or Parish, State Chaves, NM		
12. CHECK A	PPROPRIATE BOX(ES) TO	O INDICATE NATUR	E OF NOTICE,	REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Production (S Reclamation Recomplete Temporarily A Water Disposa	Well Integrity Other Abandon		

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 shall 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 shall be filed once testing has been completed Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This well has reached its economic limit and we plan to Plug and Abandon it. Please find the attached well plan.

ACCEPTED FOR RECORD

NOV 13 2008

Gerry Guye, Deputy Field Inspector NMOCD-District II ARTESIA

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)					
Phelps White	Title President				
Signature	Date 11-4-08				
THIS SPACE FOR FEDERAL OR STATE OFFICE USE					
Approved by /S/ DAVID R. GLASS	PETROLEUM ENGINEER Date NOV 0 6 2008				
Conditions of approval, if any, are attached Approval of this notice does not warrar certify that the applicant holds legal or equitable title to those rights in the subject leads 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 States any false, fictitious or fraudulent statements or representations as to any matter	person knowingly and willfully to make to any department or agency of the United r within its jurisdiction.				

(Instructions on page 2)

The Fajita Fed Com #1 well has reached its economic limit. We are un-aware of any possible zones in the well that warrant testing. We propose to plug the well as follows:

Plug One: CIBP @ 8180' to cover open perforations 8212' to 8247'

Currently there is 5 %" casing in the well with a cement top @ 6450'. We plan to run a free-point survey and if it makes sense we will cut the 5 %" casing and pull it from the well. Depending on if we cut and pull the 5 %" casing or not, we propose to plug the well as follows:

IF THE CASING IS CUT AND PULLED

- 2. 60 sx class C; 150' cement plug placed 75' inside 5 1/2" cut-off and 150' above (this plug to be tagged)
- 3. 35 sx Class C; 100' cement plug placed from 3450' to 3550'
- 4. 35 sx Class C; 100' cement plug placed from 1607' to 1507' to cover 8 5/8" casing shoe @ 1557' Tag
- 5. 35 sx Class C; 100' cement plug placed from 378' to 278' to cover 13 3/8" casing shoe @ 328' This plug to be tagged.
- 6. 20 sx Class C; 50' cement plug placed from 50' to surface

Perforate @ 5500 & Squeeze 40

2. \$\frac{1}{2}\$ sx Class C, 100' plug from 5500' to 5400'

Perforate @ 3550' & Squeeze 40

3. \$\frac{1}{2}\$ sx Class C, 100' plug from 3550' to 3450'

Perforate @ 1607' & Squeeze 40

4. \$\frac{1}{2}\$ sx Class C, 100' plug from 1607' to 1507'

Perforate @ 378' & Squeeze 40

5. \$\frac{1}{2}\$ sx Class C, 100' plug from 378 to 278' This plug to be Tagged

Perforate @ 50' & Squeeze 20

6. \$\frac{1}{2}\$ sx Class C, 50' plug from 50' to surface

After the well has been plugged, the location will be cleared of junk and cleaned up pursuant to the drilling permit approved 3/24/94.

Primero Plans to begin plugging operations sometime between December 1,08 and March 31, 09.

Sis Mirio Millist

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Fajita Fed Com #1 Sec 10, T15S, R27E, 1650' FS & 990' FEL

Lease # NM-92754

FM Tops	
San Andres	1424
Tubb	4183
Abo	4964
Wolfcamp	6105
Canyon	7212
Strawn	7683
Atoka	8097
	San Andres Tubb Abo Wolfcamp Canyon Strawn

Tubing In well: 260 jts 2 7/8" N-80

TOC 6450

Perforations: 8212-15, 8226-37, 8245-47, 19 holes

PBTD @ 8292'

5 1/2" 17# L and N, 117 jts 15.5# K

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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 <u>ninety (90)</u> 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, 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.
- 2. <u>Notification:</u> 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 call (575) 627-0205 or after office hours call (575) 910-6024. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.
- 3. <u>Blowout Preventers:</u> 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. <u>Mud Requirement:</u> 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. <u>Cement Requirement:</u> 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. <u>Dry Hole Marker:</u> 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.