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FORM APPROVED

(August 2007)	ONITED STATES REHT TO TIMENTAA		OCD-	ARTESIA	OMB No. 1004-013 Expires July 31, 20	
. BUF	REAU OF LAND MANA	GEMENT	UN -22	5. Lease Serial No.		
Do not use this	NOTICES AND REPO form for proposals to Use Form 3160-3 (AF	RTS ON WELLS odrill or to re-enter a	n	6 If Indian, Allotte	e or Tribe Name	
SUBM	7. If Unit of CA/Agreement, Name and/or No. 35504					
Type of Well Oil Well Gas	Well Other	8. Well Name and No Shell Federal #2				
2. Name of Operator 3 C Operating, Inc.				9. API Well No. 30-015-34679		,
Ba Address O Box 50820 Midland, TX 79710	b. Phone No. (include area c (432) 684-9696	Company (NA money)				
Location of Well <i>(Footage, Sec., T.</i> 980' FNL & 660' FWL lec 6, T21S-R24E	,R.,M., or Survey Description)			11. Country or Pari Eddy County, NM		
12. CHE	CK THE APPROPRIATE BOX	(ES) TO INDICATE NATUR	RE OF NOTIO	CE, REPORT OR OT	THER DATA	
TYPE OF SUBMISSION		YPE OF ACT	TION			
Notice of Intent Subsequent Report	Acidize Alter Casing Casing Repair Change Plans	Deepen Fracture Treat New Construction Plug and Abandon	Reci	luction (Start/Resume) amation omplete porarily Abandon	Water Shi Well Inte	*
Final Abandonment Notice	Convert to Injection	Plug Back		er Disposal		1 4 0
 Describe Proposed or Completed C the proposal is to deepen direction Attach the Bond under which the following completion of the invol- testing has been completed. Final determined that the site is ready for 	ally or recomplete horizontally work will be performed or prov ved operations. If the operation Abandonment Notices must be	, give subsurface locations and ide the Bond No. on file with a results in a multiple completi	I measured and BLM/BIA. For on or recomp	nd true vertical depth Required subsequent : Detion in a new interv	ns of all pertinent ma reports must be filed val, a Form 3160-4 r	arkers and zones. I within 30 days must be filed once
Plug and Abandon well as follows:				SEE AT	TACHED FO	OR
) MIRU - Plugging equipment and) ND WH, NU BOP, RIH and tag () Spot 25 sx @ 6045') Spot 25 sx @ 4000') Spot 35 sx @ 1985' - Tag **) Perf and spot 35 sx @ 785' - Ta) Circ 15 sx from 60' to 0' **) Cutoff wellhead, cut off anchors	CIBP @ 7584', RIH and spot	,		mud. CONDI	TIONS OF A	APPROVAL
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14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Tami Parker Title Regulatory Analyst Date 05/15/2009 THIS SPACE FOR FEDERAL OR STATE OFFICE USE 3 0 2009 Approved by MAY Date Title Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify JAMES A. AMOS that the applicant holds legal or equitable title to those rights in the subject lease which would Office entitle the applicant to conduct operations thereon. SUPERVISOR-EPS

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.

Wellbore Diagram

Cisco Recompletion

BC Operating, Inc. Shell Federal #2 1980' FNL 660' FWL Sec 6, T-21-S, R-24-E Eddy County, New Mexico

9 5/8" 40# J-55 Set at 1,433' TOC @ Surface

DV Tool @ 7,249'

5 1/2" 17# N-80 Set at 9,850' TOC @ 1,000' by Temp

Date: 7/17/07 JPS

TD: 9,850' PBTD: 8,065' 12 1/4" Hole

Cisco Perfs

7,634' to 7,643' 10' net 20 Holes

7,652' to 7,731' 80' net 120 Holes

CIBP @ 8100' w/ 35' cement Strawn Perfs (4 sets) 8,114' to 8,638' 82 Holes CIBP @ 9300' w/ 35' cement Morrow Perfs (5 sets) 9,356' to 9,484' 46 Holes CIBP @ 9502' Morrow Perf

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

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 this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.
- 3 <u>Blowout Preventers</u>. A blowout preventer (BOP), as appropriate, shall be installed prior to commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet, a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the 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 are 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 a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks 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 Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

- 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 ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).
- 7 <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. 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.**
- 8. <u>Trash</u>: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.