

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

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.

JUL 23 2012

5. Lease Serial No
NMNM-112957

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1 Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2 Name of Operator
Caerus Southern Rockies LLC

3a Address
600 17th Street, Suite 1600N
Denver, CO 80202

3b Phone No (include area code)
303-565-4600

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

8 Well Name and No
Tsay Tah #35-1

9. API Well No
30-045-33766

4. Location of Well (Footage, Sec., T, R, M., or Survey Description)
1350' FNL & 1200' FEL
35-25N-11W

10. Field and Pool or Exploratory Area
Basin Fruitland Coal Gas

11 Country or Parish, State
San Juan County, New Mexico

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
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ 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 recompleat 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 recompleat 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.)

The Tsah Tah 35 No. 1 is currently SI due to low productivity. Caerus Southern Rockies had planned to restore it's production by utilizing a "Coal Stim" process. Current economics can not justify that project at this time. Because Careus still believes this is a viable project, Caerus Southern Rockies LLC requests that this well be allowed to remain SI for 1 year. A braden head test was recently performed in accordance with New Mexico Oil Conservation Division indicated no communication with the production casing. SI approved under 4/1/13

RCVD JUL 25 '12
OIL CONS. DIV.
DIST. 3

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)
Amy Lay

Title Operations Technician

Signature

John E. Rager for Amy Lay

Date

7/20/12

John E. Rager

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JUL 24 2012

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

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)

NMOCDA

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

BRADENHEAD TEST REPORT

(Submit 2 copies to above address)

RCVD JUL 25 '12
OIL CONS. DIV.
DIST. 3

Date of Test June 21, 2012 Operator CAERUS SOUTHERN ROCKIES LLC. API #30-0 45-33766
Property Name TSAH TAH 35 Well No. 1 Location: Unit Section 35 Township 25N Range 10W
Pressure (Shut-In or Producing) SHUT IN Tubing 36 Intermediate Casing 25 Bradenhead TSTM

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

TIME	PRESSURES:				BRADENHEAD	INTERMEDIATE
	BRADENHEAD	INTERMEDIATE	CASING		FLOWED	FLOWED
5 minutes	0		25	Steady Flow		NA
10 minutes	0		25	Surges		NA
15 minutes	0		25	Down to Nothing	X	NA
20 minutes				Nothing		NA
25 minutes				Gas		NA
30 minutes				Gas & Water		NA
				Water		NA

If bradenhead flowed water, check all of the descriptions that apply below:

CLEAR FRESH SALTY SULFUR BLACK

5 MINUTE SHUT-IN BRADENHEAD 0 INTERMEDIATE NA

REMARKS:

By JASON CHESNUT Witness
LEASE OPERATOR
(Position)

E-mail address jason@walsheng.net