

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date:

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other: SWD

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-34082-00-00	TSAH TAH SWD	011	CAERUS SOUTHERN ROCKIES LLC	S	A	San Juan	F	N	11	24	N	10	W

Conditions of Approval:

The SWD permit has expired, No injection can take place until a new permit is submitted and approved.

SEP 20 2013

NMOCD Approved by Signature

Date

RECEIVED

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR **AUG 28 2013**
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

Farmington Field Office
Bureau of Land Management
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.

5. Lease Serial No.
NMNM-112955

6. Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
Tsah-Tah SWD #11

2. Name of Operator
Caerus Oil and Gas LLC

9. API Well No.
30-045-34082

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

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

10. Field and Pool or Exploratory Area
SWD; Mesa Verde

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
970' FSL & 1510' FWL **S 11, T24N, R10W**

11. County 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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Shut In Well</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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.)

Caerus Oil and Gas LLC currently has two active SWD wells in the Tsah Tah Field. The Tsah Tah SWD#11 is currently SI and not in use. The two active SWD wells have adequate disposal capacity to dispose of all currently produced water. Caerus keeps the Tsah Tah SWD#11 as a standby disposal to utilize in case one of the other wells becomes inoperable. Current economic conditions limits any further development at this time, so it is not at this time anticipated that produced water volumes will increase. However, Caerus Oil and Gas LLC requests that the Tsah Tah SWD #11 be approved for SI status because it is currently an emergency SWD well that could be used if needed and not require Caerus to SI any additional wells. It also holds value to future operations in the field when economics support further operation, increasing water production. The Tsah Tah SWD #11 well recently had a successful MIT completed on it on September 9th, 2012. Caerus Oil and Gas LLC respectfully requests that the Tsah Tah SWD #11 remains approved for SI status.

SI approval until 9/1/14

RCVD AUG 30 '13
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Peter Travers

Title Operations Engineer

Signature *Peter Travers*

Date 08/27/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: **Stephen Mason**

Title

Date

AUG 28 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

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



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

MECHANICAL INTEGRITY TEST REPORT

(TA OR UIC)

Date of Test 11-8-12 Operator Caprus Southern Rockies API # 30-0 45-34082

Property Name Salt Lake SWD Well # 11 Location: Unit Sec 11 Twp 24 Rge 10

Land Type: State Federal Private Indian

Well Type: Water Injection Salt Water Disposal Gas Injection Producing Oil/Gas Pressure observation

REC'D NOV 8 '12 OIL CONS. DIV.

Temporarily Abandoned Well (Y/N): TA Expires: DIST. 3

Casing Pres. 0 Bradenhead Pres. 0 Tubing Pres. -10 Int. Casing Pres. N/A Tbg. SI Pres. Tbg. Inj. Pres. Max. Inj. Pres.

Pressured annulus up to 365 psi. for 30 mins. Test passed/failed

REMARKS: Packer set for perf Kill check needs to be done after order is unstated.

By [Signature] (Operator Representative) Pumper (Position)

Witness [Signature] (NMOCD)

Revised 02-11-02