

Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.	30 025 24908
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	E-6622
7. Lease Name or Unit Agreement Name	North El Mar Unit
8. Well Number	58
9. OGRID Number	20077
10. Pool name or Wildcat	El Mar (Delaware)

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: ☐ Oil Well ☐ Gas Well ☒ Other Injection TA

2. Name of Operator

Sahara Operating Company

3. Address of Operator

P.O. Box 4130, Midland, TX 79704

4. Well Location

Unit Letter D 770 feet from the North line and 990 feet from the West line  
Section 36 Township 26S Range 32E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3,099 GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☒ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Request Temporarily Abandoned status for well. We wish to preserve this well bore for Enhanced recovery, Justification attached.

This well passed a Mechanical Integrity Test of 560 psi on 6-23-2008, the original test chart is attached.

Wellbore as follows: Casing: 4-1/2" @ 4750'  
Perfs: 4598'-4632'  
CIBP: 4520'

RECEIVED

11 3 2008

NOBBS OGC

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Robert McAlpine TITLE President DATE 7-02-2008

Type or print name Robert McAlpine E-mail address: SaharaRM@sbcglobal.net Telephone No. 432-697-0967

For State Use Only

APPROVED BY: Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE JUL 07 2008

Conditions of Approval (if any):

**North El Mar Unit**  
**Temporarily Abandoned Wells**  
**Justification & Status Update**  
June 20, 2008

It is requested that Temporarily Abandoned status be continued for the temporarily abandoned wells in the North El Mar Unit, Lea County, New Mexico. Please refer to the Justification For Request For Temporarily Abandoned Status for these wells dated July, 2006 and the Status Updates dated June 25, 2007, September 28, 2007, December 19, 2007, and April 22<sup>nd</sup>, 2008.

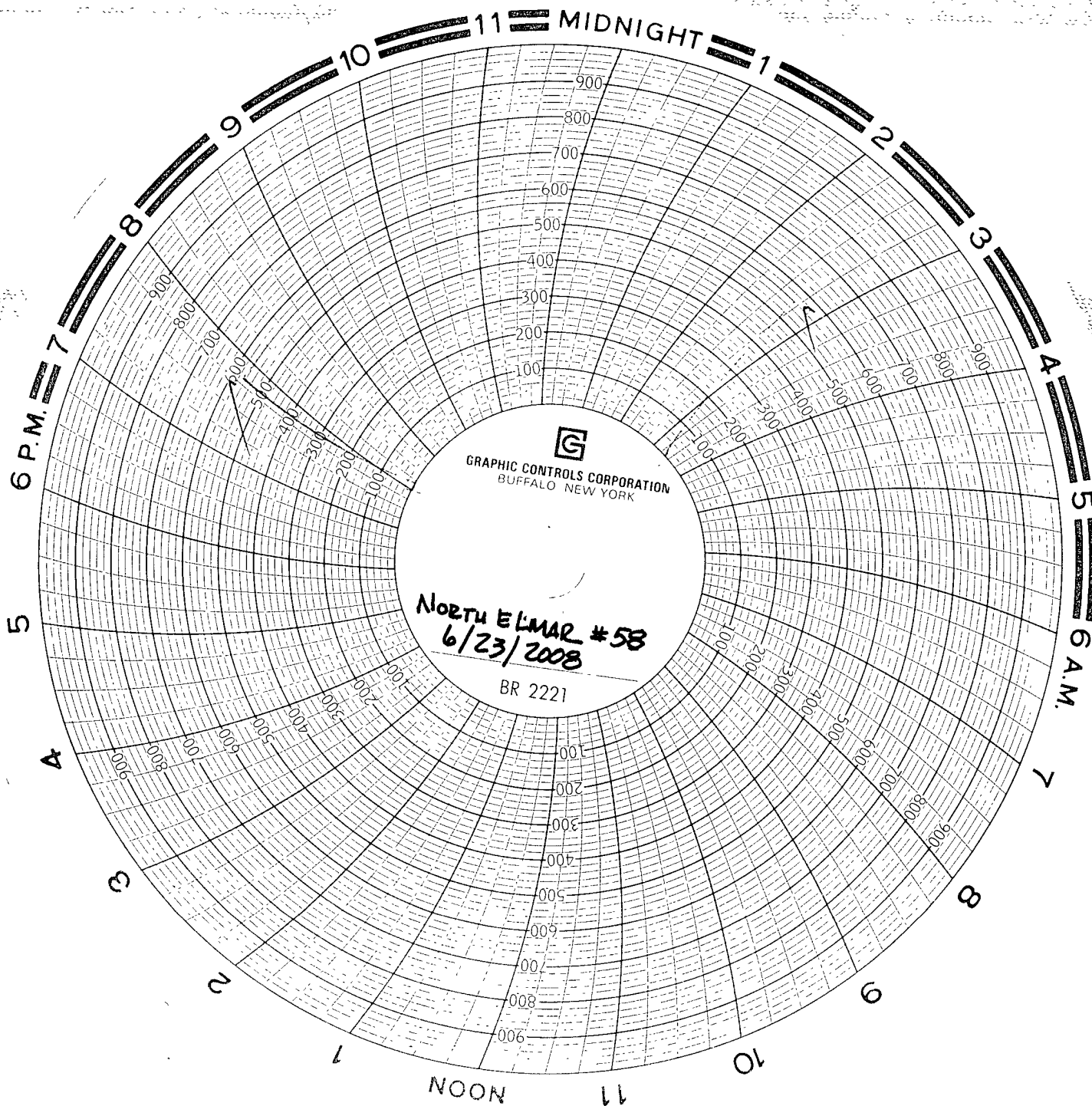
At this time there appears to be no firm timetable for resolving the CO2 supply shortage which has impacted this and other Permian Basin EOR projects. At the nearby Cotton Draw Unit, Paduca Delaware Sand Unit CO2 project, operatorship of the project has been transferred to OXY, with the intention that OXY will use it's CO2 expertise and access to CO2 supply to implement the project. We have been unable to obtain status updates on this key project, but are hopeful that Oxy is moving forward with this project in a timely fashion. OXY is contractually obligated to install a CO2 project in the Cotton Draw Unit, and the continued delays are frustrating to all involved.

The recent increase in commodity prices, along with increasing concerns about possible climate change, greatly increase the attractiveness of the North El Mar Unit as a candidate for CO2 EOR or as a potential site for carbon sequestration. We feel that it is more important than ever that these wellbores be preserved for future use.

Sahara has recently completed restoration of P&A locations on the North El Mar Unit #14, #17, #22, #26, #31, #35 & #37. Recontouring and seeding of these locations was just completed within the past few days. Sahara has retained the services of an environmental consulting firm, R.T. Hicks, to coordinate this work with the BLM.

Wellbore repairs have been completed on NEMU #61 and this well has been returned to production. As this report is written, we are drilling out a squeeze on NEMU #15 and hope to have that well returned to active service within a few days.

Sahara will file another status update on or before October 1<sup>st</sup>, 2008



NEL MAR #58

Rapid Transports

6/23/08

Rusty Dwyer

Sakura Operating Company  
about. E1 new Unit #58