

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO 1004-0135
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.5. Lease Serial No.
NMLC064023

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Contact CARIE STOKER

ALAMO PERMIAN RESOURCES LLC E-Mail: cstoker@alamoresources.com

8. Well Name and No.
SAUNDERS 11

9. API Well No

30-015-22061-00-S1

3a. Address

415 WEST WALL STREET SUITE 500
MIDLAND, TX 79701

3b. Phone No. (include area code)

Ph: 432-897-0673

10. Field and Pool, or Exploratory
GRAYBURG

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 13 T17S R27E NWSE Lot J 2310FSL 1650FEL

11. County or Parish, and State

EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE 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 (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☒ Well Integrity☐ Other

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 shall 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 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.)

MIT Procedure:

Pull out of hole with pump, rods, & tubing. Run in hole with bit & casing scraper to PBTD at approx. 1,750'

SET CIBP w/ 35' cement on top of GRAYBURG Perfs @ 1648' - perfs @ 1698'-1708' (SEE COAS)

Set Wireline CIBP in 5-1/2" casing at +/-1,175' above existing Queen perforations at 1,238-48'.

Dump 35' of cement on top of CIBP using wireline.

Fill in casing with inhibited water & perform witnessed MIT w/ BLM inspector on location.

Alamo Permian Resources requests permission to perform a witnessed MIT with BLM inspector on

RECEIVED

FEB 17 2012

NMOCD ARTESIA

Accepted for record

NMOCD *Rede* 02/20/2012

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #129919 verified by the BLM Well Information System

For ALAMO PERMIAN RESOURCES LLC, sent to the Carlsbad

Committed to AFMSS for processing by JAMES (JIM) HUGHES on 02/03/2012 (12JLH0395SE)

Name (Printed/Typed) CARIE STOKER

Title REGULATORY AFFAIRS COORDINATOR

Signature

(Electronic Submission)

Date 02/02/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #129919 that would not fit on the form

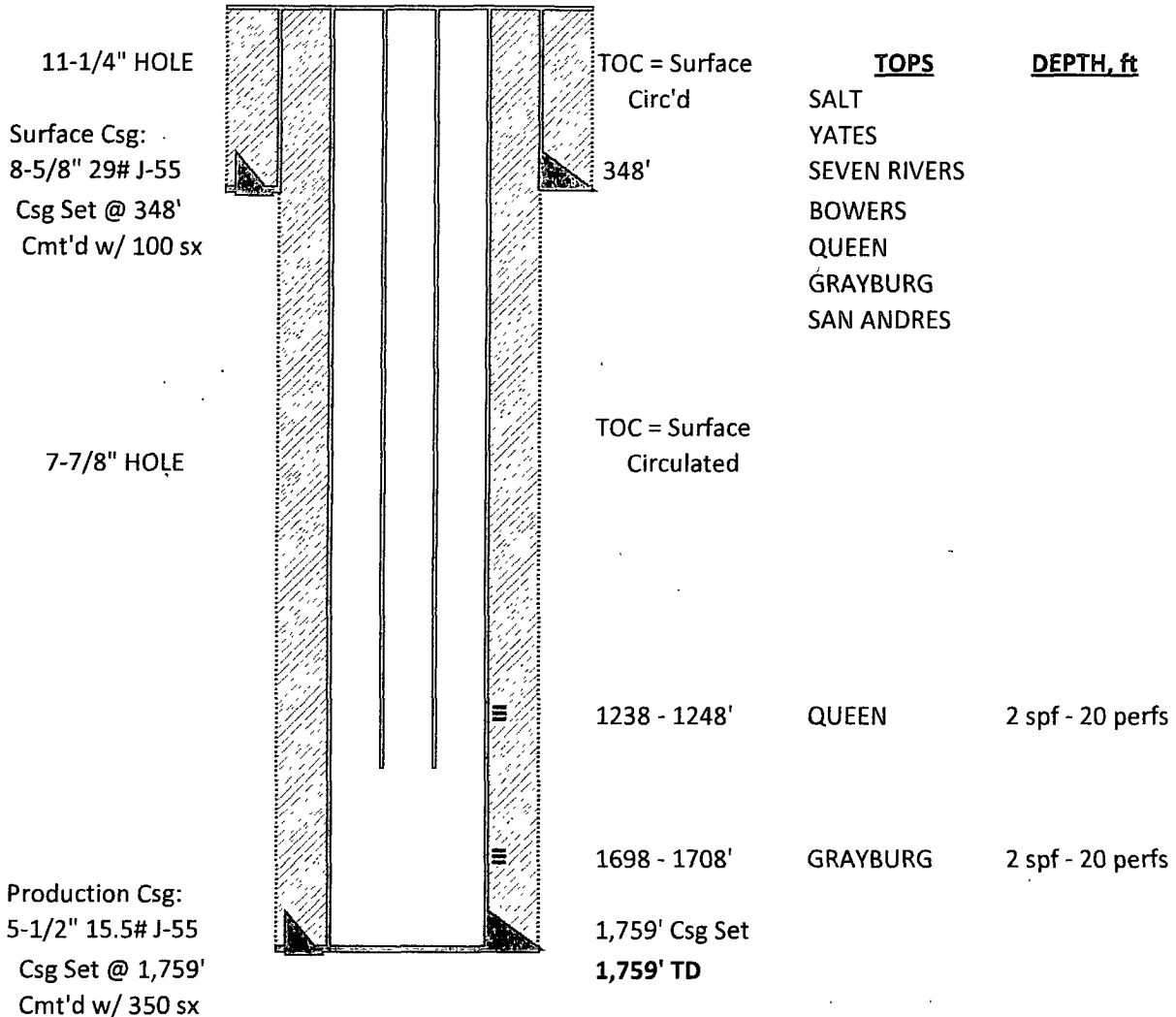
32. Additional remarks, continued

location in order to temporarily abandon the well for up to ^{90 days}~~12 months~~ in order to recomplete to the
Seven Rivers within the 12 month time frame.

ALAMO PERMIAN RESOURCES, LLC
WELLBORE DIAGRAM

Lease/Well No.:	SAUNDERS FEDERAL No. 11	ELEVATION, GL:	3,537 ft
Location:	2,310' FSL & 1,650' FEL		
	UL: J, SEC: 13, T: 17-S, R: 27-E	FIELD:	RED LAKE; QN-GB-SA
	EDDY County, NM		
LEASE No.:	LC 064023	Spudded:	2/8/1977
API No.:	30-015-22061	Drlg Stopped:	2/21/1977
		Completed:	2/28/1977
		LAT:	
		LONG:	

ROTARY TOOLS



HPS: 07/28/2011

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

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.**

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval **with well bore diagram** with all perforations and CIBP's and tops of cement on CIBP's.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

SAUNDERS #11

1. Set CIBP with cement on top 50' above Grayburg, perms at 1698' to 1708'
2. Well may be approved to be TA/SI for a period of 90 days or until 5/15/2012 after successful MIT and subsequent report is submitted.
3. This will be the last TA approval for this well.
4. Must submit NOI to recompleate or a NOI to P&A. Must be submitted by April 15, 2012.
5. Previous sundry to shut-in well only approved well to be SI until 6/30/11.