

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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.

5. Lease Serial No.
NMNM 25493

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
THREE RIVERS OPERATING COMPANY, LLC

3a. Address
1122 S Capital of TX Hwy Suite 325
Austin, TX 78746

3b. Phone No. (include area code)
512-706-9849

7. If Unit of CA/Agreement, Name and/or No.
NMNM72117

8. Well Name and No.
SHELL FEDERAL #1

9. API Well No.
30-015-22232

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980° FEL & 1980° FSL J-06-21S-24E

10. Field and Pool or Exploratory Area
INDIAN BASIN; STRAWN, NW (Gas)

11. Country or Parish, State
EDDY COUNTY, NM

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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" 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 recomple 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 recomple 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.)

Three Rivers Operating Company, LLC has an approved permit to attempt a recomple in the Wolfcamp per the attached, and hereby requests approval to P&A this well if the test deems unproductive.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Accepted for record
NMOC



RECLAMATION PROCEDURE
ATTACHED

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

Name (Printed/Typed)
Tom Stratton

Title OPERATIONS MANAGER

Signature

Date 05/18/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

SEFS

Date

6-6-12

Office

OCD

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)



Proposed Plug and Abandon

Shell Federal #1

API # 30-015-22232

Three Rivers Operating Company

Three Rivers Operating Company would like to plug the subject well per BLM guidelines as follows:

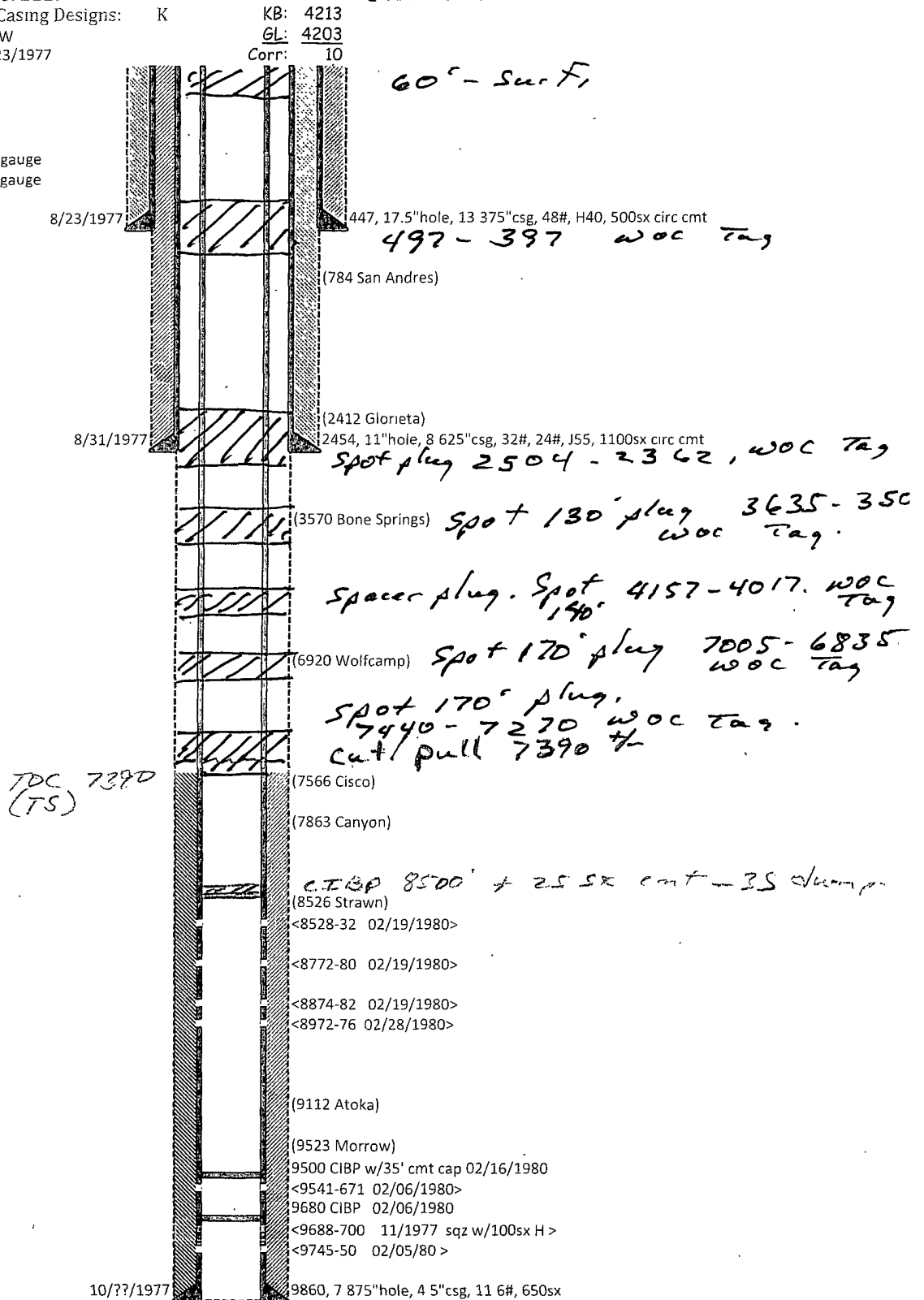
1. Notify BLM 24 hours before commencing P&A operations.
2. Tag existing plug @ 8465'.
3. Cut and Pull 4-1/2" casing at 7390'.
4. Set ^{170'}~~100'~~ cement plug, ^{120'}50' in 7-7/8" open hole and ^{120' 50'}50' in 4-1/2" casing. Tag.
 - a. Plug ⁷²⁷⁰~~7340'~~ - 7440' w/ 60sx
5. Set ^{170'}~~100'~~ cement plug in 7-7/8" open hole above Wolfcamp at 6920'.
 - a. Plug ^{7005 - 6835}~~5920' - 6920'~~ w/ 45sx WOC Tag.
6. Set ^{140'}~~100'~~ cement plug in 7-7/8" open hole. spacer
 - a. Plug ⁴⁰⁵⁷~~4057'~~ - 4157' w/ 40 sx WOC Tag
- * Add. Bone Spring Plug - From 3435 - 3505. WOC Tag
7. Set ^{170'}~~100'~~ cement plug across 8-5/8" casing shoe at 2424' and Glorieta at 2412'. Tag.
 - a. Plug ^{2362 2504}~~2312' - 2482'~~ w/ 80 sx
8. Set ~~100'~~ cement plug across 13-3/8" casing shoe at 447'. Tag.
 - a. Plug 397' - 497' w/ 35 sx
9. Set ^{60'}~~10'~~ surface plug.
 - a. Plug 0' - ^{60'}~~10'~~ w/ 5sx.
10. File subsequent C-103 to notify NMOCD that well bore has been plugged.
11. File C-103 FINAL to release bonding on the well.

* All Plugs - 100' plus 10% per 1000' of depth.

Operator: Three Rivers Operating Co., LLC
 Surface Lease: NM25494
 Producing Lse No: NM25494
 Unit or CA No: NM72117
 Subsurface Concerns for Casing Designs: K

Well: Shell Federal #1
 API: 3001522232
 @ Srfce: T21S-R24E, Sec 06, 1980FSL & 1980FEI
 @ MTD: N. A.

Well Status: PGW
 Spud date: 8/23/1977
 Admn Order, date:
 Inj Dsp Interval:
 Max Inj psig:
 Last WK inspc
 Inspec Tbg psig: no gauge
 Inspec Csg psig: no gauge



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 **ninety (90)** 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.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** 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. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. 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. **Mud Requirement:** 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 **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** 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. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), 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. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

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. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). 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. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three 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. Trash: 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 will be required. See attached reclamation procedure.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Cody Layton
Natural Resource Specialist
575-234-5959

Terry Gregston
Environmental Protection Specialist
575-234-5958

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Bobby Ballard
Environmental Protection Specialist
575-234-2230

Todd Suter
Surface Protection Specialist
575-234-5987

Randy Rust
Natural Resource Specialist
575-234-5943

Doug Hoag
Civil Engineering Technician
575-234-5979

Linda Denniston
Environmental Protection Specialist
575-234-5974

Tanner Nygren
Natural Resource Specialist
575-234-5975

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

John Fast
Natural Resource Specialist
575-234-5996

Justin Frye
Environmental Protection Specialist
575-234-5922

Three Rivers Operating Co.

SHELL FEDERAL #1

SEL 6-215-24E

API# 30-D15-22232

CENETARY (WOLF CAMP)

EDDY CO. NM

INDIAN BASIN

PROPOSED RECOMPLETION

surface

13 3/8" shoe

13 3/8" 48" H 40 @ 442' w/ 500SX CMT CIRC

Glorietta 1 8 5/8" shoe

8 7/8" 32 1/2" J 55 @ 2424' CMT w/ 1100SX CMT CIRC

Open Hole

Wolfcamp

7 1/8" Hole

TOC @ 7390' (T/S)

W/C 7405-7429' w/ 2JSBF

CIBPE 8500' CMT w/ 35' PLUG TOC @ 8465' CSC 8528-32

STRAON
8722-30'
8874-32'
8922-76'

T/MRW 9491'

SIOP @ 9465' w/ 35' CMT (TOC @ 9430' MRRW 9541-9671'

CIBPE 9680' MRRW 9628-97' SQZ'D w/ 1000SX MRRW 9745-50'

1 1/2" 11.6" N 80 @ 9860' CMT 'D w/ 650SX TOC 7390'

N^o OCC COPY.UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other in-
structions on
reverse side)Form Approved.
Budget Bureau No. 42-R355.5.

5. LEASE DESIGNATION AND SERIAL NO.

NM-25494

6. IF INDIAN, ALLOTTED OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Shell Federal

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Cemetery Morrow Gas

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

6-21-24

12. COUNTY OR
PARISH

Eddy

13. STATE

N. M.

1a. TYPE OF WELL:

OIL
WELL ☐GAS
WELL ☒DRY ☐

Other

DEC 6 1977

b. TYPE OF COMPLETION:

NEW
WELL ☒WORK
OVER ☐DEEP-
EN ☐PLUG
BACK ☐DIFF.
RESVR. ☐

Other

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

2. NAME OF OPERATOR

DEPCO, Inc. ✓

3. ADDRESS OF OPERATOR

800 Central, Odessa, Texas 79761

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

Unit Letter 3, 1980' PS & KL, 6-21-24

At top prod. interval reported below

At total depth

14. PERMIT NO.

O. C. C.
ARTESIA OFFICE

15. DATE SPUDDED

8-23-77

16. DATE T.D. REACHED

10-3-77

17. DATE COMPL. (Ready to prod.)

10-30-77

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

3778.8 GR.

19. ELEV. CASINGHEAD

3778.8

20. TOTAL DEPTH, MD & TVD

9860

21. PLUG, BACK T.D., MD & TVD

9826

22. IF MULTIPLE COMPL.,
HOW MANY*23. INTERVALS
DRILLED BY

ROTARY TOOLS

CABLE TOOLS

→

0-9860

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

9688-9700 Morrow

25. WAS DIRECTIONAL
SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

DLL-CHL-FDG

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8	48	447	17 1/2	500 sz.	-0-
8 5/8	24 & 32	2454	11	1100 sz.	-0-
4 1/2	11.6	9860	7 7/8	650 sz.	-0-

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8	9501	9501

31. PERFORATION RECORD (Interval, size and number)

9688-9700 w/2 SPF

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
9688-9700	1000 gal. 7 1/2% MS acid
	5000 gal. 7 1/2% MS acid

33.*

PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
11-1-77		Flowing				Shut-in	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11-22-77	4.25	6/64-14/64	————→	Trace	141	0	---
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
2345-1288	Packer	————→	Trace	141	0	53	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

Awaiting contract

35. LIST OF ATTACHMENTS

Deviation Survey, Form C-122, log

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

D. R. Mason

TITLE

Chief Clerk

DATE

12-2-77

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws 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, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form. see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:				38. GEOLOGIC MARKERS		
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES						
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAN. DEPTH	TRUE VERT. DEPTH
San Andres	784		DST #1 Misrun			
Horista	2412		DST #2 8846-9122			
One Springs	3570		IF open 30 min, SI 60 min. FF open 90 min.			
Elf Camp	6920		SI 180 min. IHP 4297, IF 223-265#, ISIP			
Isco	7546		3769#, FF 346-329#, FSIP 3787#, FHP 4149#.			
Anyam	7863		Rec. 150' GCM. Sampler: 350#, 1.122 CFG,			
Tram	8526		700 cc mud. Temp 165°.			
Toka	9112					
Arrow	9523		DST #3 9505-9690			
			IF open 30 min. SI 60 min, FF open 90 min.			
			SI 180 min. IHP 4852, IF 176-667#, ISIP			
			3813#, FF 693-1086#, FSIP 3780#, FHP 4813#.			
			Rec. 420' water. Sampler : 1100#, 5.84 CFG,			
			500 cc water.			
			DST #4 9728-9774'			
			IF open 30 min, SI 60 min, FF open 60 min			
			SI 180 min. IHP 4890, IF 106-371#, ISIP			
			3808#, FF 387-721#, FSIP 3812#, FHP 4890#			
			Rec. 75' drlg fluid, 1190' FW. Sampler:			
			650#, 1600 cc water.			

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator Copy

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NMNM72117 ✓

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SHELL FEDERAL #1 ✓

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3a. Address
1122 S. Capital of TX Hwy, #325
Austin, TX 78746

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512-706-9849

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INDIAN BASIN; STRAWN, NW (Gas)

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1980' FEL & 1980' FSL J-06-21S-24E ✓

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EDDY COUNTY, NM

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Plug back from Strawn (8525'-8976') & recompleat in the Wolfcamp (7405'-7429').

PROCEDURE:

1. Prepare location; check anchors.
2. Set frac tanks, closed loop system.
3. MIRU, blow down tbg & csg to tanks.
4. Load tbg & annulus w/ brine water to kill well.
5. Nipple down tree; nipple up BOP (5k).
6. Release pkr & pull tbg; pull tbg & pkr OOH; keep hole full.
7. RIH w/ bit & scraper to 8500' (hydrotest tbg), circulate well with acid/chemical to clean csg.
8. Pull bit & scraper OOH.
9. Rig up wireline; RIH w/ gauge ring to 8500'.
10. Set CIBP @ 8500' & dump 35; cmt plug on top of CIBP.
11. Pressure up on csg to 2500# to test integrity.
12. If OK, proceed.
13. Run GR-CCL-CBL-CIL from 8465' (PBTD) to TOC (est. 7390').

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

CONTINUED ON NEXT PAGE.....

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

TOM STRATTON

Title OPERATIONS MANAGER

Signature

Date 02/27/2012

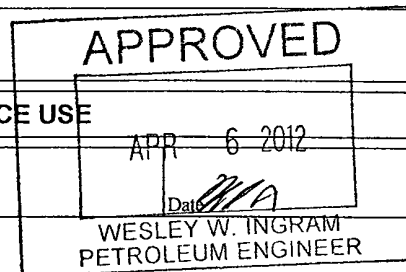
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.



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)

14. Perforate 7405'-7410', 7414'-7419', 7425'-7429' w/ 2 jspf (28 holes.)
15. RIH w/ tbg & arrow set 1 pkr to 7450'.
16. Spot 250 gals 15% Hcl NEFE.
17. Set pkr @ 7350', pressure up on csg to 500#.
18. Pressure up on tbg to breakdown perfs 7405'-7429'.
19. Swab well & evaluate zone for production & stimulation.