

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOC
NATURAL CONSERVATION
ARTESIA DISTRICT

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

FEB 11 2015

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. **NA-0390241**

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☐ Gas Well

☒ Other **Injection**

2. Name of Operator
Tandem Energy Corporation

3a. Address
2700 Post Oak Blvd., Ste. 1000, Houston, TX 77056

3b. Phone No. (include area code)
713-987-7326

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

8. Well Name and No.
South Lucky Lake Queen #001F

9. API Well No.
30-005-60244

10. Field and Pool or Exploratory Area

Lucky Lake

11. County or Parish, State

Chaves

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

1980 FNL 660FEL 21 15S 29E

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
	<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 recomplate 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 recomplate 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.)

1. MIRR

2. release pkr + POOH w/ tbg.

3. While pkr is being re-dressed. GIH to ensure no fill. Clean out to PBT.D.

4. GIH w/ pkr + psi test the tbg.

5. Set pkr + psi test backside to ensure no csg leak.

6. ROMO pulling unit.

7. Schedule witnessed psi test.

8. Rtn well to injection.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
LRO 2/13/15

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

L. Kiki Lockett

Title Regulatory Specialist

Signature

L. Lockett

Date 01/20/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

ORIG. SGD. DAVID R. GLASS

PETROLEUM ENGINEER

Date FEB 06 2015

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 101
fictitious or fraudulent stat
(Instructions on page 2)

Please Contact The BLM Roswell Field Office At Least 24 Hours Prior To The Scheduled Casing Integrity Test. For Wells In Chaves And Roosevelt County, During Office Hours Or After Office Hours Call (575) 627-0205. Engineer On Call During Office Hours Call (575) 627-0275 Or After Office Hours Call (575) 626-5749.

willfully to make to any department or agency of the United States any false,

APPROVED FOR 3 MONTH PERIOD
ENDING MAY 06 2015

Mechanical Integrity Test Conditions of Approval

Tandem Energy Corporation

South Lucky Lake Queen Unit Well No. 1F, API 30-005-60244

1980FNL & 660FEL Sec. 21, T15S-R29E

1. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00 AM through 3:00 AM for the period of March 1 through June 15.
2. Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established.
3. The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test. An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
4. Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
5. Make arrangements 24 hours before the test for BLM to witness. In Chaves and Roosevelt Counties E-Mail Robert Hoskinson (rhoskins@blm.gov) or phone 575-627-0205.
6. Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
7. Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry.
8. Submit the original subsequent sundry with three copies to BLM Roswell Field Office.
9. Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
 - a) Approved injection pressure compliance is required.
 - b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
 - c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
10. Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
11. The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
12. A "Best Management Practice" is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.
13. Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Roswell Field Office; Petroleum Engineering within 5 days.

14. Gain of annular fluid pressure requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0 psia. Notify the BLM's authorized officer ("Robert Hoskinson" <rhoskins@blm.gov>, cell phone 575-627-0205).
15. Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry.