

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNM OIL CONSERVATION
ARTESIA DISTRICT

APR 27 2015

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

SUNDRY NOTICES AND REPORTS ON WELLS RECEIVED

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.

NM 14844

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 Corporation3a. Address
2700 Post Oak Blvd. Ste. 1000
Houston, TX 770563b. Phone No. (include area code)
713-987-7326

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

NM68291X

8. Well Name and No.

Ballard Grayburg San Andres #15

9. API Well No.

30-015-03335

10. Field and Pool or Exploratory Area

Queen, Grayburg, San Andres

11. County or Parish, State

Eddy

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

2310 ESL 990 FWL 8 18S 29E

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

- ☐
- Notice of Intent
-
- ☒
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Remedial Work |
| <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 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 must 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 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.)

SEE ATTACHED FOR

- 1) MIRU pulling unit on January 18, 2015.
- 2) Released packer and POOH with 90 joints (2,785') of 2-3/8" tubing.
- 3) TIH with tubing and tagged fill at 3,033'. Pressure tested tubing to 500 psig.
- 4) PU bit and clean out to PBTD @ 3,040' (open hole interval below bottom of 5-1/2" liner at 2,850').
- 5) TIH w/ AD-1 packer. Set at 2,785', no test. Moved up the hole and got a successful pressure test at 2,350'.
- 6) POOH and LD packer.
- 7) TIH with tubing open ended and suspended operations due to suspected casing leak below 2,350'.
- 8) RDMO pulling unit January 23, 2015.
- 9) Plan to submit a separate Form C-103 as Notice of Intention to perform remedial work for the suspected casing leak.

Accepted for record
NMOCD RESUBJECT TO LIKE
APPROVAL BY STATE

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

L. Kiki Lockett

Title Regulatory Specialist

Signature

L. Lockett

Date 02/19/2015

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)

ACCEPTED FOR RECORD

APR 23 2015

BUREAU OF LAND MANAGEMENT

CARLSBAD FIELD OFFICE

Order of Authorized Officer

Tandem Energy Corporation
Ballard GB/SA - 15, API 3001503335
T18S-R29E, Sec 08, 2310FSL & 990FWL
Month 23, 2015

This well's recorded activity appears to have been inactive/shut-in for more than 30 days without authorization. An inactive/shut-in well bore is a non-producing completion that is capable of "beneficial use" i.e. production in paying quantities or of service use for more than 30 days without authorization. BLM compliance requires an inactive/shut-in well to be converted to temporary or permanent abandonment. A notice of intent Form 3160-5 for that conversion should be filed.

Temporary abandonment status will be granted only after justification of impending "beneficial use", the well has been plugged back per Onshore Order #2.III.G. and N.M.O.C.D. plugging guidelines, and has passed a mechanical integrity test.

Consider the beneficial use prospects and the wellbore integrity of this well. Submit your plan for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies).

As the current operator you are required to: **Prove the production casing integrity from no more than 100 feet above the perforations or open hole with a documented minimum pressure test of 500psig for 30 minutes, and return the well to production or beneficial use on or before 07/04/2015.**

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. **Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test.** Pressure leakoff will be evaluated site specifically and may restrict continued operation approval. Twenty four hours before the test contact BLM to witness; 575-200-7902 Eddy Co., if there is no response, 575-361-2822. Procedures are to be witnessed. If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.

Submit a subsequent Sundry Form 3160-5 relating the dated daily wellbore and MIT activities.

References: 43 CFR 3162.1(a), 43 CFR 3162.3-2, 43 CFR 3162.3-4, 43 CFR 3162.4-1, Onshore Oil and Gas Order #1.X., & Onshore Oil and Gas Order #2.III.G.

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.