

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.
NMLC046250B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
WILLIAMS B FEDERAL 112. Name of Operator
LRE OPERATING LLCContact: MIKE PIPPIN
E-Mail: mike@pippinllc.com9. API Well No.
30-015-41889-00-S13a. Address
1111 BAGBY SUITE 4600
HOUSTON, TX 770023b. Phone No. (include area code)
Ph: 505-327-457310. Field and Pool, or Exploratory
ARTESIA

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

Sec 29 T17S R28E SENW 2300FNL 1650FWL
32.805921 N Lat, 104.200403 W Lon11. 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
Subsurface Commingling

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 shall 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 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.)

THIS IS A REQUEST TO REMOVE THE CBP @ 3300' & DHC.

Following the recomple to San Andres, LRE would like to drill the CBP @ ~3300' & DHC the Yeso with the San Andres. See NOI sundry ES291428.

LRE requests administrative approval to downhole commingle the existing Artesia, Glorieta-Yeso (96830) and the proposed Red Lake, San Andres (97253). Both intervals have common ownership, we have not experienced any significant cross flows, & all the fluids are compatible. Downhole commingling will maximize the ultimate recovery of oil & gas & eliminate redundant surface equipment. A DHC application has been approved by the State in order: DHC-4733. See the attached DHC worksheet & supporting data. The "Williams A & B Field Study of the Yeso & San Andres" dated 11/23/2013 reviewed & approved by EGF on 1/27/2014 has been accepted by BLM CFO as justification for a downhole pool commingling project on the Williams A & B Federal leases.

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 10 2015

RECEIVED

Accepted for record
NMOC 7/30/15

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

Electronic Submission #292519 verified by the BLM Well Information System

For LRE OPERATING LLC, sent to the Carlsbad

Committed to AFMSS for processing by ED FERNANDEZ on 07/07/2015 (15EF0036SE)

Name (Printed/Typed) MIKE PIPPIN

Title PETROLEUM ENGINEER

Signature (Electronic Submission)

Date 02/20/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER

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 Carlsbad

APPROVED
JUL 7 2015
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
07/07/2015

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 ******SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Additional data for EC transaction #292519 that would not fit on the form

32. Additional remarks, continued

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, 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 & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-41889	² Pool Code 97253	³ Pool Name Red Lake, San Andres
⁴ Property Code 309867	⁵ Property Name WILLIAMS B FEDERAL	
⁶ OGRID No. 281994	⁷ Operator Name LRE OPERATING, LLC.	⁸ Well Number 11
		⁹ Elevation 3647' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	29	17-S	28-E		2300	NORTH	1650	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division. 2627.42'

2647.07'		2300'			¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> 2/12/15 Signature _____ Date _____ Mike Pippin Printed Name
	1650'				
					¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> 5/20/13 Date of Survey _____ Signature and Seal of Professional Surveyor: Filmon F. Jaramillo 12797 Certificate Number

District I
1625 N. French Drive Hobbs, NM 88243

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Bravo Road, Artesia, NM 87419

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

LRE OPERATING, LLC

c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401

Operator

Address

WILLIAMS B FEDERAL #11

F SEC. 29 T17S R28E

Eddy

Lease

Well No

Unit Letter-Section-Township-Range

County

OGRID No. 281994 Property Code 309867 API No. 30-015-41889 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	RED LAKE; San Andres		ARTESIA; Glorieta-Yeso
Pool Code	97253		96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	-1887'-3087'		3370'-3510'
Method of Production (Flowing or Artificial Lift)	Plan to Pump		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone.)	690 psi		851 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	34.8		38.32
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: RATES:	Date: Rates:	Date: 1/25/15 Rates: 8 BOPD 25 MCF/D 21 BWP/D
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas %	Oil Gas %	Oil Gas %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

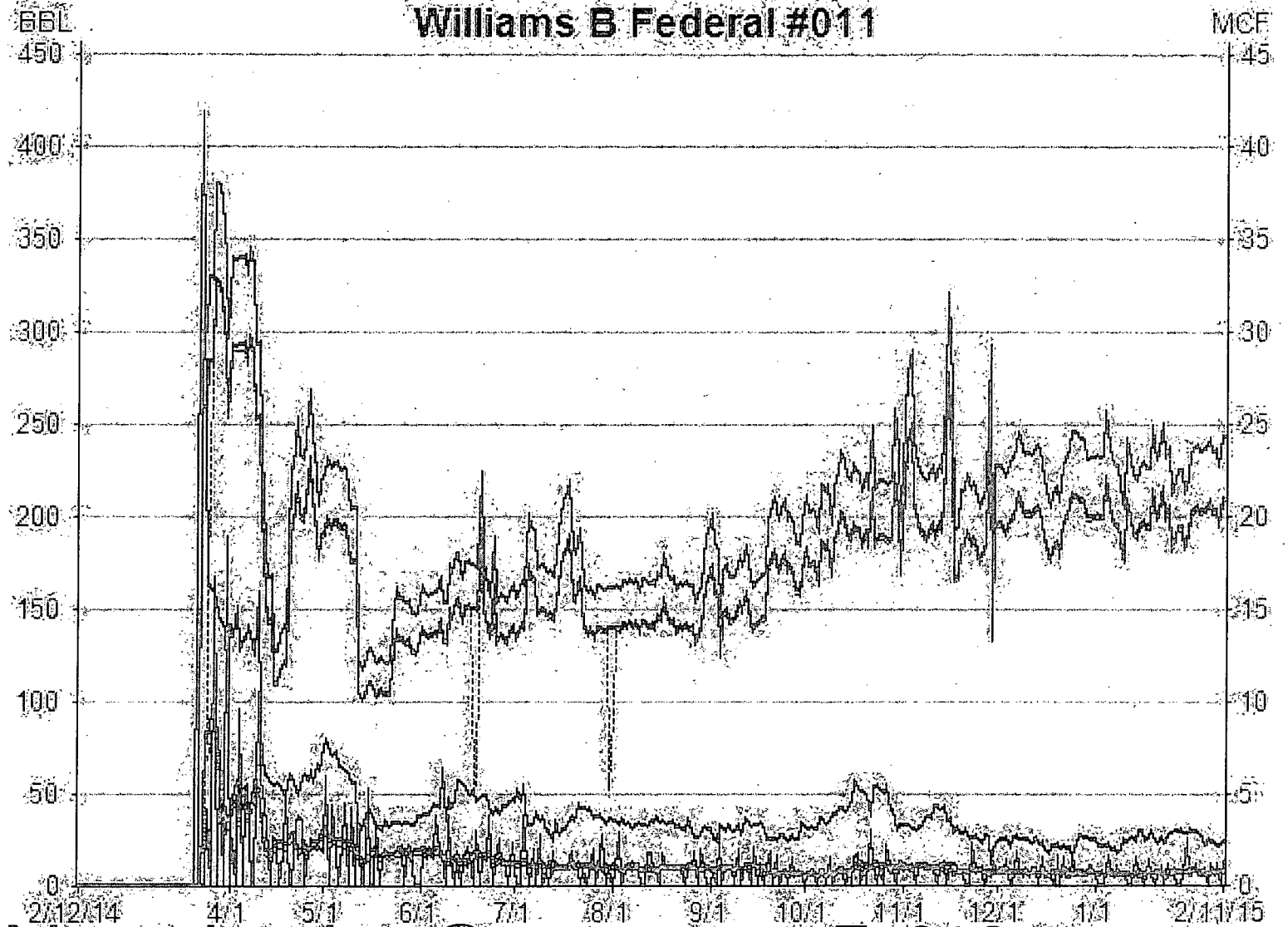
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE _____ TITLE Petroleum Engineer - Agent DATE February 13, 2015

TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. (505) 327-4573

E-MAIL ADDRESS mike@pippinllc.com



Neevia docConverter 5.0.0

DownHole SAT™ Water Analysis Report



Calculations by the
French Creek Engine

SYSTEM IDENTIFICATION

LRE
Williams B-11

44986
Steve Tigert

Sample ID#: 0
ID:

Sample Date: 11-11-2014 at 0000
Report Date: 12-01-2014

WATER CHEMISTRY

CATIONS

Calcium(as Ca) 2284
Magnesium(as Mg) 507.50
Barium(as Ba) 1.00
Strontium(as Sr) 0.00
Sodium(as Na) 742.72
Iron(as Fe) 0.400
Manganese(as Mn) 0.100

ANIONS

Chloride(as Cl) 118000
Sulfate(as SO₄) 4171
Dissolved CO₂(as CO₂) 26.72
Bicarbonate(as HCO₃) 683.20
Carbonate(as CO₃) 0.00
H₂S (as H₂S) 90.00

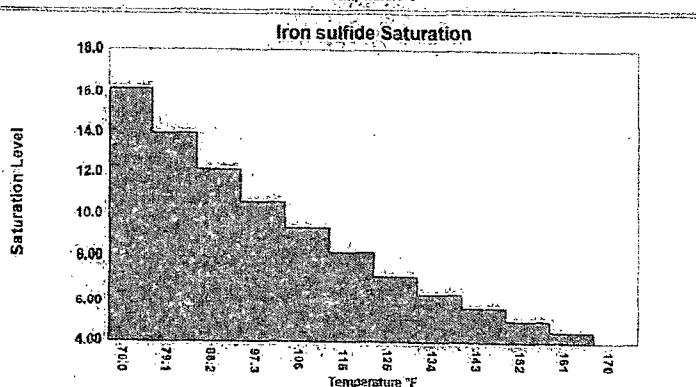
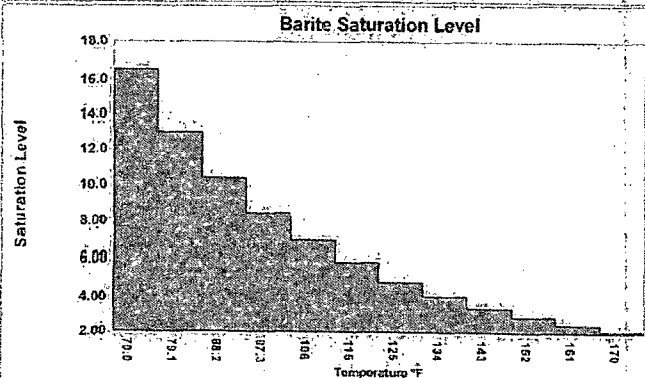
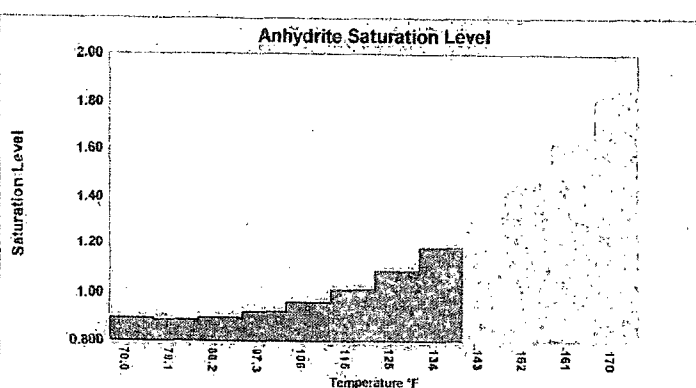
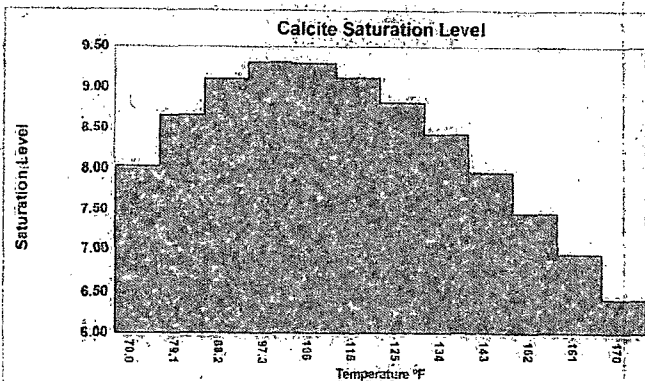
PARAMETERS

Temperature(°F) 72.00 Sample pH 7.50

SCALE AND CORROSION POTENTIAL

Temp. (°F)	Press. (atm)	Calcite CaCO ₃	Anhydrite CaSO ₄	Gypsum CaSO ₄ *2H ₂ O	Barite BaSO ₄	Celestite SrSO ₄	Siderite FeCO ₃	Mackawenite FeS	CO ₂ (mpy)	pCO ₂ (atm)
70.00	0.00	8.04	0.327	0.901	69.20	1.19	121.62	16.60	0.556	0.00
79.09	0.00	8.68	0.335	0.893	73.79	1.13	86.25	13.05	0.547	0.00
88.18	0.00	9.12	0.333	0.901	66.39	1.09	55.68	10.46	0.536	0.00
97.27	0.00	9.33	0.322	0.925	48.58	1.04	29.64	8.54	0.523	0.00
106.36	0.00	9.32	0.305	0.964	22.04	1.04	25.35	7.08	0.509	0.00
115.45	0.00	9.14	0.283	1.02	11.50	1.09	55.74	5.91	0.492	0.00
124.55	0.00	8.84	0.261	1.09	50.41	1.14	82.36	4.95	0.473	0.00
133.64	0.00	8.44	0.237	1.19	93.09	1.19	105.65	4.16	0.450	0.00
142.73	0.00	7.98	0.214	1.31	138.04	1.24	126.04	3.51	0.423	0.00
151.82	0.00	7.47	0.191	1.45	183.92	1.28	143.85	2.97	0.393	0.00
160.91	0.00	6.95	0.170	1.63	229.64	1.32	159.48	2.52	0.357	0.00
170.00	0.00	6.43	0.151	1.85	274.20	1.36	173.18	2.14	0.316	0.00
		Lbs per xSAT 1000 Barrels	Lbs per xSAT 1000 Barrels	Lbs per xSAT 1000 Barrels	Lbs per xSAT 1000 Barrels	Lbs per xSAT 1000 Barrels	Lbs per xSAT 1000 Barrels	Lbs per xSAT 1000 Barrels	Lbs per xSAT 1000 Barrels	Lbs per xSAT 1000 Barrels

Saturation Levels (xSAT) are the ratio of ion activity to solubility, e.g. $(Ca)(CO_3)/K_{sp}$. pCO₂ (atm) is the partial pressure of CO₂ in the gas phase.
Lbs/1000 Barrels scale is the quantity of precipitation (or dissolution) required to instantaneously bring the water to equilibrium.





DownHole SATtm

SURFACE WATER DEPOSITION POTENTIAL INDICATORS

LRE

Williams B-11

44986

Steve Tigert

Report Date: 12-01-2014

Sampled: 11-11-2014

Sample #: 0

at 0000

SATURATION LEVEL

Calcite (CaCO_3)	8.19
Aragonite (CaCO_3)	7.16
Witherite (BaCO_3)	< 0.001
Strontianite (SrCO_3)	0.00
Magnesite (MgCO_3)	1.96
Anhydrite (CaSO_4)	0.897
Gypsum ($\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$)	1.18
Barite (BaSO_4)	15.71
Celestite (SrSO_4)	0.00
Siderite (FeCO_3)	0.882
Halite (NaCl)	0.170
Iron sulfide (FeS)	16.99

MOMENTARY EXCESS (Lbs/1000 Barrels)

Calcite (CaCO_3)	0.329
Aragonite (CaCO_3)	0.323
Witherite (BaCO_3)	-26.19
Strontianite (SrCO_3)	-8.40
Magnesite (MgCO_3)	0.155
Anhydrite (CaSO_4)	-71.34
Gypsum ($\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$)	113.37
Barite (BaSO_4)	0.554
Celestite (SrSO_4)	-64.64
Siderite (FeCO_3)	-0.0220
Halite (NaCl)	-90581
Iron sulfide (FeS)	0.0303

SIMPLE INDICES

Langelier	1.70
Ryznar	4.10
Puckorius	3.28
Larson-Skold Index	401.00
Stiff Davis Index	1.39
Oddo-Tomson	0.546

BOUND IONS

Calcium	2284
Barium	1.00
Carbonate	127.75
Sulfate	4171

TOTAL

FREE

1969
1.000
0.646
1772

OPERATING CONDITIONS

Temperature ($^{\circ}\text{F}$)	72.00
Time(mins)	3.00

REEF CORPORATION

7906 West Highway 80, Midland, TX 79706



DownHole SATtm

SURFACE WATER CHEMISTRY INPUT

LRE

Williams B-11

44986

Steve Tigert

Report Date: 12-01-2014

Sampled: 11-11-2014

Sample #: 0

at 0000

CATIONS

Calcium (as Ca)	2284
Magnesium (as Mg)	507.50
Barium (as Ba)	1.00
Strontium (as Sr)	0.00
Sodium (as Na)	74272
Iron (as Fe)	0.400
Manganese (as Mn)	0.100

ANIONS

Chloride (as Cl)	118000
Sulfate (as SO ₄)	4171
Dissolved CO ₂ (as CO ₂)	26.72
Bicarbonate (as HCO ₃)	683.20
Carbonate (as CO ₃)	0.00
H ₂ S (as H ₂ S)	90.00

PARAMETERS

pH	7.50
Temperature (°F)	72.00
Density(g/mL)	1.12
Pressure(atm)	1.00
Calculated T.D.S.	191147
Molar Conductivity	76459
Dissolved O ₂	0.00

REEF CORPORATION

7906 West Highway 80, Midland, TX 79706

LRE OPERATING, LLC
WILLIAMS B FEDERAL #11
Artesia; Glorieta-Yeso & Red Lake, San Andres
F Section 29 T17S R28E
2/20/2015 – Mike Pippin
API#: 30-015-41889

WEIGHTED AVERAGES

OIL GRAVITY:

Bottom zone (Yeso) = 8 BOPD, 35.8

Upper zone (SA) = 32 BOPD, 34.1

$$(8 \times 35.8) + (32 \times 34.1) = 286.4 + 1091.2 = 1377.6$$

$$1377.6 / (8 + 32) = \underline{\mathbf{34.4 \text{ GRAVITY OIL}}}$$

GAS BTU:

Bottom zone (Yeso) = 25 MCF/D, 1295 BTU

Upper zone (SA) = 118 MCF/D, 1197 BTU

$$(25 \times 1295) + (118 \times 1197) = 32,375 + 141,246 = 173,621$$

$$173,621 / (25 + 118) = \underline{\mathbf{1214 \text{ BTU GAS}}}$$

H2S in GAS:

Bottom zone (Yeso) = 25 MCF/D, 9,500 ppm

Upper zone (SA) = 118 MCF/D, 3500 ppm

$$(25 \times 9,500) + (118 \times 3500) = 237,500 + 413,000 = 650,500$$

$$650,500 / (25 + 118) = \underline{\mathbf{4,549 \text{ ppm H2S}}}$$

Sulfur in Oil:

Bottom zone (Yeso) = 8 BOPD, 1.003

Upper zone (SA) = 32 BOPD, 1.2293

$$(8 \times 1.003) + (32 \times 1.2293) = 8.024 + 39.3376 = 47.3616$$

$$47.3616 / (8 + 32) = \underline{\mathbf{1.1840 \text{ Wt\% Sulfur}}}$$

LRE OPERATING, LLC
WILLIAMS B FEDERAL #11
 Artesia; Glorieta-Yeso & Red Lake, San Andres
 F Section 29 T17S R28E
 2/20/2015
 API#: 30-015-41889

Commingled Allocation Calculations

On 3/19/14, the Yeso (lower zone) was completed as a new well. LRE has submitted an NOI sundry to recompleting this well to the San Andres (upper zone) and produced as a single SA well to obtain a test. Following the SA test, the well will be DHC. The last Yeso production test on 1/25/15 before the recompleting was 8 BOPD, 25 MCF/D, & 21 BWPD. The average San Andres test on the lease is 32 BOPD, 118 MCF/D, & 278 BWPD. As per EGF, the pool allocations will be fine tuned after the SA test.

	Upper Zone (SA)	+	Lower Zone (YESO)	=	Total
Total Oil (bbls/d)	32	+	8	=	40
Total Gas (mcf/d)	118	+	25	=	143
Total Water (bbls)	278		21	=	299

OIL

Upper Zone (SA) = 32 BOPD

Total oil = 40 BOPD

$$\% \text{ Upper Zone} = \frac{32}{40} = \underline{80\%}$$

Lower Zone (Yeso) = 8 BOPD

$$\% \text{ Lower Zone} = \frac{8}{40} = \underline{20\%}$$

GAS

Upper Zone (SA) = 118 MCF/D

Total gas = 143 MCF/D

$$\% \text{ Upper Zone} = \frac{118}{143} = \underline{83\%}$$

Lower Zone (Yeso) = 25 MCF/D

$$\% \text{ Lower Zone} = \frac{25}{143} = \underline{17\%}$$

WATER

Upper Zone (SA) = 278 BWPD

Total gas = 299 BWPD

$$\% \text{ Upper Zone} = \frac{278}{299} = \underline{93\%}$$

Lower Zone (Yeso) = 21 BWPD

$$\% \text{ Lower Zone} = \frac{21}{299} = \underline{7\%}$$

DOWNHOLE COMMINGLING WORKSHEET

Operator: LRE OPERATING, LLC
Lease/Well Name/API#/Location: NMLC046250B, WILLIAMS B FEDERAL #11, 30-015-41889, F SEC. 29 T17S R28E
Date: 2/20/2015

Data	Bottom Formation	Upper Formation	Estimated Combined Production Data
Pool Name:	Artesia, GI-Yeso	Red Lake, San Andres	(See attached weighted average calculations)
Pool Code:	96830	97253	
State Form C-102 w/dedicated Acres provided:	Yes 40 acres	Yes 40 acres	
Formation Name:	Yeso	San Andres	
Top & Bottom of Pay Section (Perfed or OH interval):	3370'-3510' Perfed	~1887'-3087' Perfed	
Method of Production:	Pumping	Plan to pump	
Bottom Hole Pressure:	851 psi	690 psi	
Reservoir Drive Mechanism:	Solution gas drive	Solution gas drive	
Oil Gravity &/or BTU:	35.8 / 1295*	34.1 / 1197*	34.4 / 1214
Average Sulfur Content (Wt%):	1.003*	1.2293*	1.184
Oil Sample Analysis Provided:	Yes*	Yes*	
Gas Analysis Provided:	Yes*	Yes*	
Produce Water Analysis Provided:	Yes	Yes*	
H2S Present:	9,500 ppm*	3500 ppm*	4549
Producing, Shut-in or New Zone:	Pumping	Plan to pump	
Date & Oil/Gas/Water rates of Last Production (new zones or no production history Operator shall attach production estimate & supporting data):	1/25/2015 8 BOPD 25 MCF/D 21 BWPD	Ave. SA From Lease 32 BOPD 118 MCF/D 278 BWPD **	Estimated Rates: 45 BOPD 150 MCF/D 300 BWPD
Average decline % (provide back up data):	OIL = 9.76%* GAS = 1.57%*	OIL = 9.51%* GAS = 5.89%*	OIL = 8.59%* GAS = 1.91%*
Fixed Allocation %: (See attached calculations)	OIL = 20% GAS = 17% WTR = 7%	OIL = 80% GAS = 83% WTR = 93%	

Remarks: *See attached back-up data & "Williams A & B Field Study of Yeso & San Andres".

** As per EGF. Pool allocations will be fine tuned after SA test.

Operator Signature:

Date: 2/20/2015

Attached Supporting Documents

State Form C-102 w/dedicated Acres Provided

Oil Sample Analysis Provided (Must be Current)

Gas Analysis provided (Must be Current)

Produce Water Analysis provided (Must be Current)

Any additional supporting data (i.e. offset well production & decline curves etc.)

* FROM WILLIAMS A & B FIELD STUDY

Conditions of Approval, (Commingle SA & Yeso)

LRE Operating, LLC
Williams B - 11
API 3001541889, T17S-R28E, Sec 29
July 7, 2015

1. The "Williams A & B Field Study of the Yeso & San Andres" dated 11/23/2013 reviewed and Approved by EGF on 01/27/2014 has been accepted by BLM CFO as justification for a downhole pool comingling project on the Williams A and Williams B federal leases. The Yeso is currently capable of production in paying quantities and is to be produced until that formation's economic limits are achieved. This being said, the combined formations should increase field production.
2. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when opening another pay zone. (received)
3. A subsequent sundry detailing work done and a completion report for the San Andres and Yeso formations is necessary.
4. Surface disturbance beyond the originally approved pad must have prior approval.
5. Closed loop system required.
6. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
7. Functional H₂S monitoring equipment shall be on location.
8. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.

EF/PS

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.