

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

S

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	MAR 25 2008 OCD-ARTESIA	5. Lease Designation and Serial No. NM 012898
2. Name of Operator Kersey & Co.		6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P.O. Box 1248 Fredericksburg Tx 78624		7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FNL - 660' FEL Sec. 10 - T 17S - R 28 E		8. Well Name and No. ASU #1
		9. API Well No. 30-015-01337
		10. Field and Pool, or Exploratory Area Vandagriff Keyes Qwb
		11. County or Parish, State Eddy Co. N.m.

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

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Well was completed with 1618' 5 1/2" casing, cemented with 200 sacks cement.
Perforated casing 1515 - 1604 (150 holes)
Proposed Plugging Procedure: Set CIBP @ 1415'
Spot 20 sacks cement on CIBP
Perf. casing @ 800'
Squeeze 40 sacks cement, woc + Tag
Perf. casing @ 800'
Squeeze 40 sacks cement, woc + Tag
20 sacks cement to surface
Install D.H. marker
Clean location, reseed w/ grass mix
Rip road and block access

ACCEPTED FOR RECORD

MAR 28 2008

Gerry Guye, Deputy Field Inspector
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Signed Louise R. Wade Title Manager

(This space for Federal or State office use)

Approved by _____ Title _____
Conditions of approval, if any:

APPROVED

Date 03-10-08

Date MAR 21 2008

JAMES A. AMOS

SUPERVISOR ERS

Kersey + Company
NMNM012898
660' FNL & 660' FEL
Section 10, T. 17 S., R. 28 E.
Eddy County, New Mexico

RE: Plugging and Abandonment, Conditions of Approval

Step 1 set CIBP @ 1415'

Step 2 Cap BP with 25 sks cmt

Step 3 Perforate casing @ 800'

Step 4 Squeeze 40 sacks cement. WOC and tag no lower than 700'

Step 5 Perforate casing @ 420'.

Step 6 Squeeze 50 sacks cement. WOC and tag no lower than 255' (covers shoe and top of salt).

Step 7 Perforate 5 1/2" and the 8 5/8 "casing @ 60', circulate cement inside and out.

Do not start surface reclamation until specialist issues reclamation instruction.

If you have any questions, please contact Jim Amos at 505-234-5909.

J. Amos, 3/21/08

Note: All plugs are to be a minimum of 100' plus 10% per 1000' of depth, and a minimum of 25 sacks.

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.

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 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 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. In lieu of a cement plug in a cased hole, 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.

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 well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. 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 five 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 conditions of approval will be developed and furnished to you.