Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND-MANAGEMENT**

OCD-ARTESIA

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

5. Lease Designation and Serial No.

NM 012898

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		6. If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE 1. Type of Well		7. If Unit or CA, Agreement Designation
Oil Gas Well Other 2. Name of Operator	MAR 2 5 2008 OCD-ARTESIA	8. Well Name and No.
Kersey & Co 3 Address and Talephone No.		9. API Well No. 30-015-10227
P.O. Box 1248 Fredericksburg Tx 78624 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 660'FNL-660'FWL Sec. 11-7175-R28E		10. Field and Pool, or Exploratory Area
4 Location of Well (Footage, Sec., T., R., M., or Survey E 660'FNL-660'FWL Sec. 1	Description) 6 - 7 175 - R28E	Vandagriff Keyes Qas 11. County or Parish, State Eddy Co. N.M.
12. CHECK APPROPRIATE BOX	(s) TO INDICATE NATURE OF NOTICE, REPO	RT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
Notice of Intent	Abandonment	Change of Plans
П.,	Recompletion	New Construction
Subsequent Report	Plugging Back .	Non-Routine Fracturing
Final Abandonment Notice	Casing Repair Altering Casing	Water Shut-Off Conversion to Injection
E I mai yourionnen voice	Other	Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)
Casing perforatedat Proposed Plugging Pr ACCEPTED FOR ACCEPTED FOR Gerry Guye, Deputy Fie MOCD-District II SEE ATTACHED FOR CONDITIONS OF APPE	RECORD Perf. casing D OR Cold Inspector ARTESIA Perfoliation 400	on CIBP ROVAL , W.O.C. & Tag at, Wocktag Surface
14. I hereby certify that the foregoing is true and correct Signed	Le Title ManagerAPPRO E	D Date 3-10-03
(This space for Federal or State office use) Approved by Conditions of approval, if any:	Title MAR 2 2008	Date
Title 18 U.S.C. Section 1001, makes it a crime for any person or representations as to any matter within its jurisdiction.	knowingly and willfully to make to any department of Alface of the United SUPE SOR-EP	States any false, fictitious or fraudulent statements

Kersey + Company NMNM012898 660' FNL & 660' FWL Section 11, T. 17 S., R. 28 E. Eddy County, New Mexico

RE: Plugging and Abandonment, Conditions of Approval

Step 1 set CIBP @ 1480'

Step 2 Cap BP with 25 sks cmt

Step 3 Perforate casing @ 900'

Step 4 Squeeze 40 sacks cement. WOC and tag no lower than 800'

Step 5 Perforate casing @ 470'.

Step 6 Squeeze sufficient cement to tag no lower than 250'. WOC and tag no lower than 250' (covers shoe and top/base of salt).

Step 7 Perforate 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, 3/22/08

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 <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90^{th} day provide this office, prior to the 90^{th} 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. <u>Notification:</u> 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. <u>Blowout Preventers</u>: 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. <u>Mud Requirement:</u> 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. <u>Cement Requirement</u>: 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. <u>Dry Hole Marker</u>: 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. <u>Subsequent Plugging Reporting:</u> 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. <u>Trash:</u> 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.