Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO 1004-0135 Expires. July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

5. Lease Serial No. NMLC029420A

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIE	on reverse side.	7 If Unit or CA/Agreement, Name and/or No NMNM71030A			
1 Type of Well	8. Well Name and No.				
Oil Well Gas Well Other: INJECTION			SKELLY UNIT 106		
2 Name of Operator Contact: KELLY HARRIS FOREST OIL CORPORATION E-Mail· kdharris@forestoil com			9. API Well No. 30-015-20366-00-S1		
3a. Address 707 17TH STREET SUITE 36	none No. (include area code)	10. Field and Pool, or GRAYBURG	Exploratory		
DENVER, CO 80202	•	303-8 2-16/6-CEI	VED		
4. Location of Well (Footage, Sec., T	DECO	II. County or Parish, and State			
Sec 15 T17S R31E NENW 66		DEC 31 2009 EDDY COUNTY, NM			
		NMOCD AR	TEQUE		
12. CHECK APPE	ROPRIATE BOX(ES) TO INDI	CATE NATURE OF N	NOTICE, REPORT, OR OTHER	R DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
Nation of Intent	Acidize	Deepen Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
Notice of Intent		Fracture Treat	Reclamation	☐ Well Integrity	
Subsequent Report	Casing Repair	☐ New Construction	Recomplete	Other	
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Abandon	_	
_	Convert to Injection	☐ Plug Back	☐ Water Disposal		
a CIBP at 3220', set on 12/14/2/20/2010. UBJECT TO LIKE ROVAL BY STATE	the Seven Rivers and return the /06. The last MIT was 5/19/2009 SEE ATTACHED CONDITIONS OF	FOR	TA status until		
well last used as w	In Troop		Accepted for reco	iG.	
14 Thereby certify that the foregoing is	true and correct. Electronic Submission #77619	verified by the BLM Well	Information System		
Con	For FOREST OIL COR nmitted to AFMSS for processing	RPORATION, sent to the	e Carlsbad		
Name (Printed/Typed) KELLY HARRIS		f .	·		
Signature (Electronic Submission)		Date 11/17/2	009		
	THIS SPACE FOR FE	DERAL OR STATE	OFFICE USE		
Approved By DUNCAN WHITLOCK		Titlel EAD PET	ROLEUM ENGINEERING TEC	H Date 12/26/20	
Conditions of approval, if any, are attached. Approval of this notice does not warrant or		· 	TOLLOW LITORALLIMO ILO	12,25,20	
certify that the applicant holds legal or equivalent would entitle the applicant to condi-	Office Carlsba	Office Carlsbad			
Title 18 U S.C Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a crime for statements or representations as to any r	or any person knowingly and natter within its jurisdiction	d willfully to make to any department of	agency of the United	

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Temporary Abandonment of Wells on Federal Lands Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

- 1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
- 2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
- 3. Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

- 1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval <u>with well bore diagram</u> with all perforations and CIBP's and tops of cement on CIBP's.
- 2. Describes the temporary abandonment procedure.
- 3. Attaches a clear copy or the original of the pressure test chart.
- 4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

- 1. A procedure to repair the casing so that a TA approval can be granted.
- 2. A procedure to plug and abandon the well.

Skelly Unit #106. Well may be approved to be TA/SI for a period of 2 months until 2/20/10 after successful MIT and subsequent report is submitted. This will be the last and only TA/SI approval. Well must be P&A or plans to use well must be submitted by 2/20/10. IF well is going to be used as a WIW cement behind Production string needs to be circulated to surface. No bleed off is allowed on WIW MIT