Form 3160-3 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR

SUNDRY NOTICES AND REPORTS ON WELLS

BUREAU OF LAND MANAGEMENT

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

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 of	6. If Indian, Allottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on reverse side.					7. If Unit or CA/Agree NMNM71030A	7. If Unit or CA/Agreement, Name and/or No. NMNM71030A	
Type of Well						8 Well Name and No. SKELLY UNIT 109	
2 Name of Operator Contact: KELLY HARRIS FOREST OIL CORPORATION E-Mail kdharris@forestoil.com					9 API Well No. 30-015-20468-0	30-015-20468-00-S1	
707 17TH STREET SUITE 3600 Ph: DENVER, CO 80202 Fx:			-812-1676 864-6105		10. Field and Pool, or GRAYBURG		
4 Location of Well (Footage, Sec., T., R., M., or Survey Description)			2 2 2003		11. County or Parish,	11. County or Parish, and State	
Sec 15 T17S R31E SWNW 1980FNL 660FWL			OCD ART	TESIA	EDDY COUNTY	EDDY COUNTY, NM	
12. CHECK APPR	OPRIATE BOX(ES) TO	INDICATE	NATURE	OF NOTI	CE, REPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent	☐ Acidize	□ Dee	pen		Production (Start/Resume)	☐ Water Shut-Off	
_	☐ Alter Casing	□ Frac	☐ Fracture Treat ☐ F		Reclamation	☐ Well Integrity	
☐ Subsequent Report	Casing Repair	□ Nev	w Construction		Recomplete	Other	
Final Abandonment Notice	☐ Change Plans	Plug	Plug and Abandon		Temporarily Abandon	_	
_	Convert to Injection	Plug	g Back		☐ Water Disposal		
13. Describe Proposed or Completed Ope If the proposal is to deepen directiona Attach the Bond under which the wor following completion of the involved testing has been completed Final Ab determined that the site is ready for fi Forest Oil Corporation respect	Illy or recomplete horizontally, k will be performed or provide operations. If the operation resolution resolution in the landonment Notices shall be file and inspection.)	give subsurface the Bond No. o sults in a multip ed only after all	locations and report file with BLN le completion of requirements, i	measured an M/BIA Req por recomplet including re	d true vertical depths of all perti juired subsequent reports shall be ion in a new interval, a Form 310 clamation, have been completed,	nent markers and zones. e filed within 30 days 60-4 shall be filed once	
recomplete the Skelly 109 to t a CIBP at 3133', set on 3/16/0 4/2/2010.	he Seven Rivers and retu	irn the well to	production.	. This inje	ector has		
SUBJECT TO LIKE APPROVAL BY STATE	SEE ATTACHI	en eon					
					•		
	CONDITIONS	OF APP	ROVAI	,			
Accepted for record							
Well last used as a	v I w 404				NMOCD	•	
14 I hereby certify that the foregoing is	true and correct. Electronic Submission #	77638 verifie	by the BL M	Well Info	rmation System		
Com	For FOREST C	IL CORPORA	TIÓN, sent t	to the Carl	sbad		
Committed to AFMSS for processing by KU Name (Printed/Typed) KELLY HARRIS				GULATO			

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 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

(Electronic Submission)

Signature

Approved By DUNCAN WHITLOCK

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

11/18/2009

TitleLEAD PETROLEUM ENGINEERING TECH

Date 12/26/2(

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:

- Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval with well bore diagram 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 #109. Well may be approved to be TA/SI for a period of 4 months until 4/2/10 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 4/2/10. 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