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NMOCD APPROVAL

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC058480
2. Name of Operator ENERVEST OPERATING Contact: BRIDGET HELFRICH E-Mail: bhelfrich@enervest.net		6. If Indian, Allottee or Tribe Name
3a. Address 1001 FANNIN STREET SUITE 800 HOUSTON, TX 77210	3b. Phone No. (include area code) Ph: 713-495-6537 Fx: 713-615-1429	7. If Unit or CA/Agreement, Name and/or No. NMNM71060X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T18S R29E NESE Tract 10B 1650FSL 990FEL		8. Well Name and No. WEST LOCO HILLS 2
		9. API Well No. 30-015-03274-00-S1
		10. Field and Pool, or Exploratory LOCO HILLS
		11. 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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 recompleat 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.)

EnerVest Operating, L.L.C. respectfully requests to place this well on TA status per the following:

1. Request to perform an MIT.
2. BLM to be contacted at least 24 hours prior to the MIT by calling Eddy County 575-361-2822.
3. CIBP will be set as close as possible to 50' above top perf of 2608'.
4. Wellbore will be filled w/corrosion inhibited fluid and pressure tested to 500 psi for at least 30 minutes, with less than 50 psi bleed off.
5. A bradenhead test will be conducted.
6. Justification for TA this wells consists of a.) economics b.) number of wells currently being P&A'd (due to Inactive Well List) c.) this well may have future potential and needs to be evaluated.
7. Estimated date to return to beneficial use or P&A is 4-30-2011.

Accepted for record
NMOCD RE

5/17/10

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Last Prod. 2/2009 **SUBJECT TO LIKE
APPROVAL BY STATE**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #85745 verified by the BLM Well Information System For ENERVEST OPERATING, sent to the Carlsbad Committed to AFMSS for processing by CHERYLE RYAN on 05/03/2010 (10CMR0410SE)	
Name (Printed/Typed) BRIDGET HELFRICH	Title REGULATORY TECH.
Signature (Electronic Submission)	Date 04/30/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>LEAD PETROLEUM ENGINEERING TECH</u>	Date <u>05/11/2010</u>
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 <u>Carlsbad</u>		

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.

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 **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.

West Loco Hills #2. Well may be approved to be TA/SI for a period of 90 days until August 11, 2010 after successful MIT and subsequent report with well bore diagram is submitted. This will be the last and only TA/SI approval. Well must be P&A or plans to return to beneficial use submitted by August 11, 2010. Well has been SI since 3/2010, this has been over 1 year without approval.