

SUNDAY 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

☐ Oil Well ☐ Gas Well ☒ Other WATER INJECTION WELL

2. Name of Operator

GP II ENERGY, INC.

3a. Address

PO Box 50682, MIDLAND, TX 79710

3b. Phone No. (include area code)

915/684-4748

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

3300' FSL. 675' FEL

SEC. 31, T16S, R31E

5. Lease Serial No.

068064

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

N. 50. H. UT. 127

9. API Well No.

30-015-04949

10. Field and Pool, or Exploratory Area

SQUAZELAKE GB-SAL

11. County or Parish, State

EDDY, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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.)

PLAN TO PLUG & ABANDON WHEN RIG IS AVAILABLE.

PLEASE REFER TO ATTACHED SCHEMATIC AND
PLUGGING PROCEDURE.SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED

AUG 26 2002

LES BABYAK
PETROLEUM ENGINEER

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

Name (Printed/Typed)

JOE L. COMPTON

Title

AGENT

Signature

Joe L. Compton

Date

AUGUST 7, 2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Squeeze and Plugging Procedures for the ~~Grier #7-Y~~

1. RUPU.
2. Install and test BOP.
3. TOH with tbg and packer.
4. Set CIBP within 100' of the top perf (see attached well bore diagram).
3. GIH with packer and establish where the casing leak is. Note: holes in casing should be shallow (300' to 600') based on other wells in this area that had leaks. Set packer 50' below casing leak and pressure up tubing and casing to 500# for 15' to check casing integrity. TOH with Packer.
4. GIH with tbg open ended and spot 50' of cement on top of CIBP. Spot sufficient volume of gel mud to cover 5 1/2" Shoe. Spot 100'+ cement, sufficient to bring plug 50' + above top of liner and 50'+ blow 5 1/2" casing shoe. TOH with tubing.
5. GIH with packer and squeeze holes in casing with enough cement to bring the cement top behind the casing up to the top of the salt. WOC. Test casing to 500# for 15 minutes. TOH with packer.
6. GIH with tbg open ended and tag plug set across 5 1/2" shoe. PU and circulate hole with plugging mud. PU and pump 100'+ cement plug across 8 5/8" shoe, sufficient to bring plug 50'+ above top of shoe and 50'+ below 8 5/8" casing shoe. PU and WOC.
7. Tag plug set across 8 5/8" shoe. PU and set surface plug.
8. Cut off casing and set dry hole marker.
9. Clean and remediate location.

Note: The BLM and the NMOCD will be notified at least 24 hours before starting work on well.

GP II ENERGY, INC.
~~GRIER FEDERAL #7-Y~~
 3300' FSL & 675' FEL
 SEC 31, T16S, R31E
 EDDY COUNTY, NEW MEXICO

TD. 3373'

