

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other *Wells*

2. Name of Operator

Penrose Energy Resources, Inc.

3. Address and Telephone No.

621 17th Street, Suite 750 Denver Colorado 80293

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

1980' Full & 660' Full of Section 26, T-17-S, R-30-E

5. Lease Designation and Serial No.

LC 020492 (a)

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

Grayburg Jackson Unit

8. Well Name and No.

Tract 7A Well #2

9. API Well No.

30-015-0433400

10. Field and Pool, or Exploratory Area

Grayburg Jackson

11. County or Parish, State

*Logan County
New Mexico*

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☒ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

RECEIVED

JAN 11 1996

OIL CON. DIV.

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

- Propose to Test Superior Well As Below:*
- Set Casing Over Perforations (3200-56') At (3100'-3150') or within 100' of Top Perforations*
 - Set Cement Plug From Casing to ± 2850' or 50' inside 7" Casing As A Plug*
 - Perforate Source Horos At 2000'. If Perforations Take Fluid or When Circulates Set, Retain at 1800' And Source Plug No. 2 Using 75 Gr. Class 'C'. If When When Not Take Fluid, Set Open Hole Plug Using 50 Gr.*
 - Repeat This Procedure For plug No. 3 & 550'. If Perforations Take Fluid or When Circulates, Set Cement Plug From Surface Using 100 Gr. Plug.*
 - Cut out Head, Erect Ditch*
 - Reconnect Location*

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

Signed

Mark D. White

Title

Engineer

(This space for Federal or State office use)

Approved by

(ORIG. SGD.) JOE G. LARA

Title

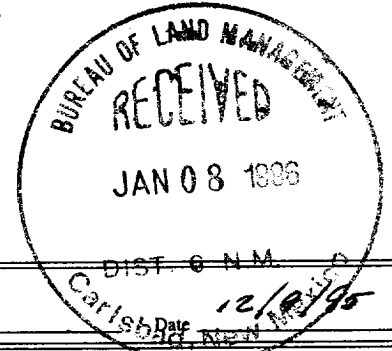
PETROLEUM ENGINEER

Date

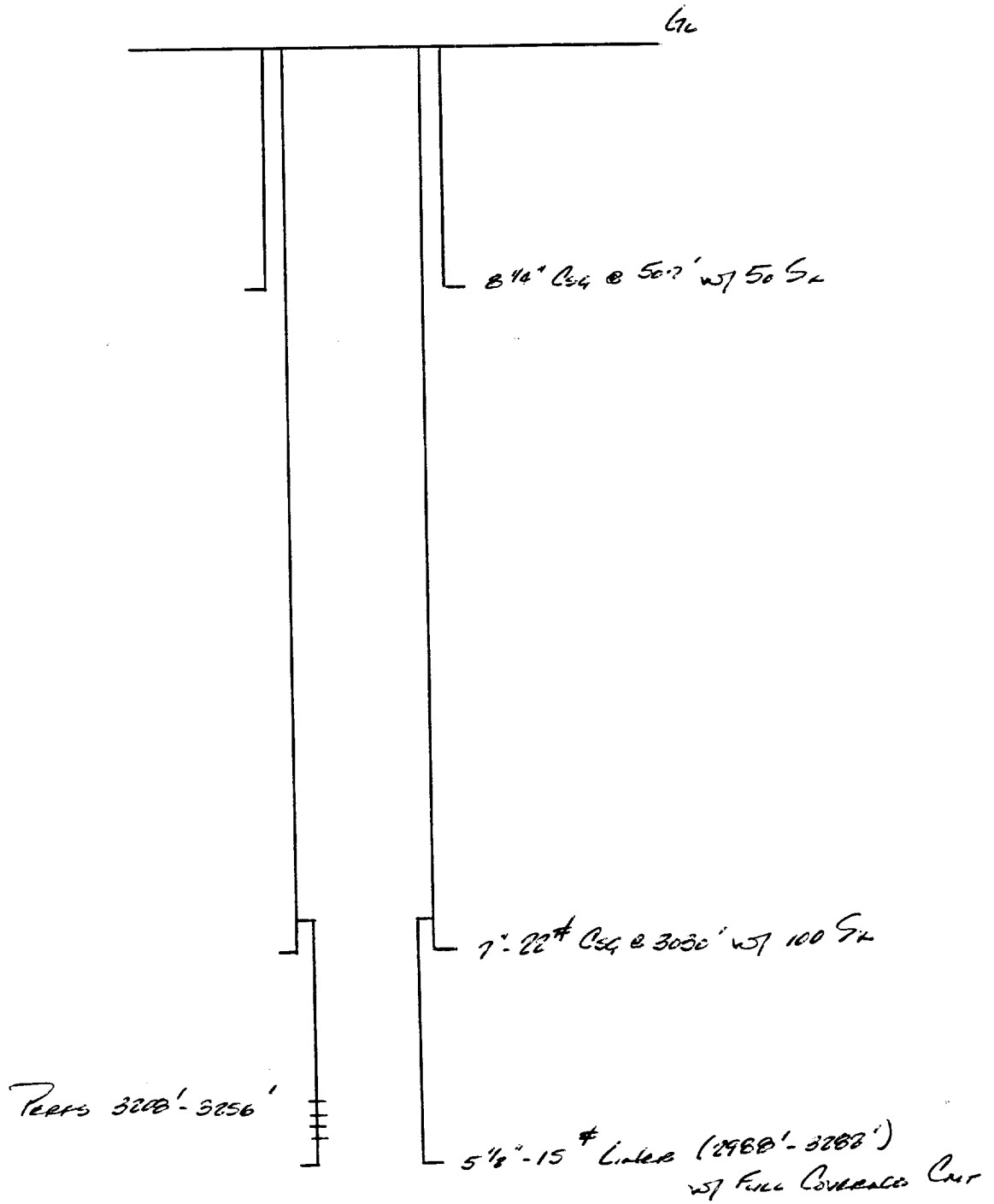
1/9/96

Conditions of approval, if any:

See attached.

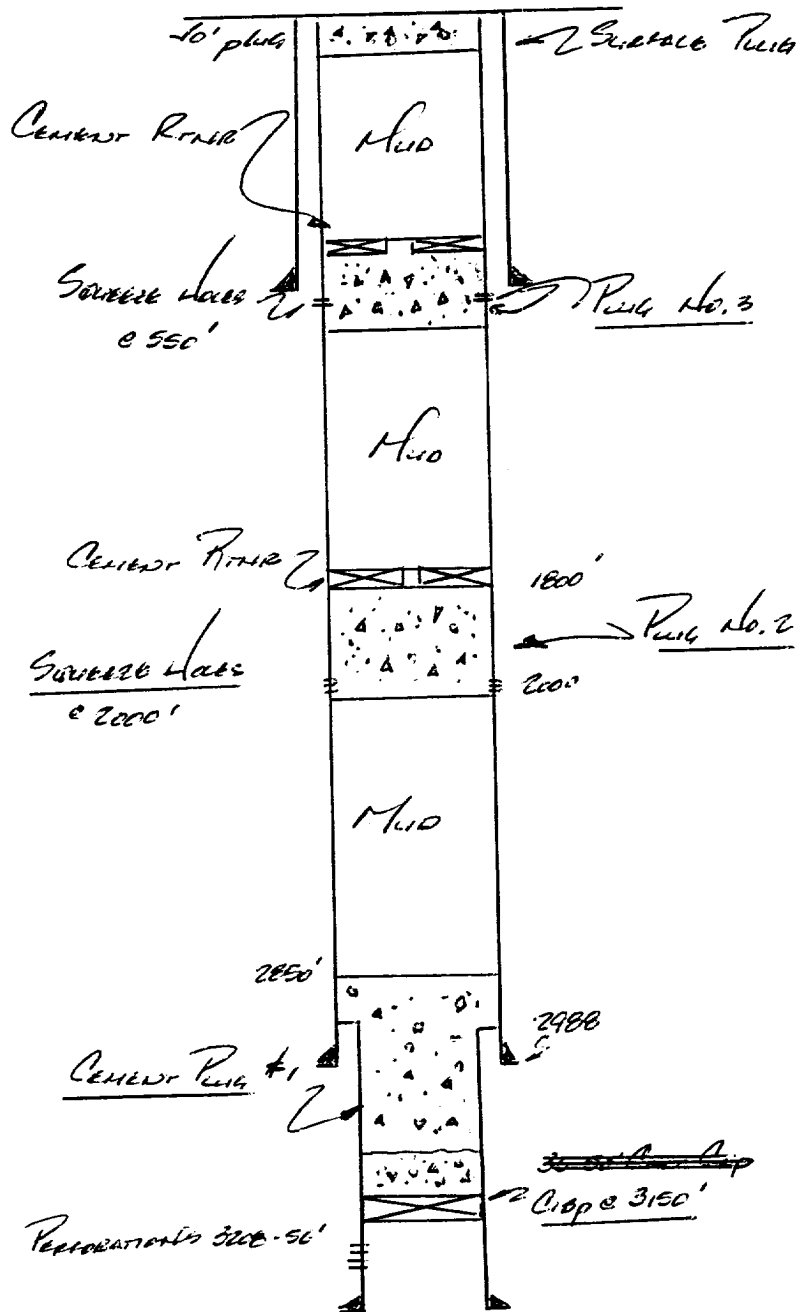


Grayburg Jackson Unit Tract 7A well No. 2



CMR 12/4/95

GRAYBURG JACKSON UNIT TA-2



BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA

Permanent Abandonment of Wells on Federal Lands

Conditions of Approval

1. Approval: Plugging operations shall commence within 90 days from the approval date of plugging procedure.

2. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Eddy County call (505)887-6544 ; for wells in Lea County call (505) 393-3612.

3. Blowout Preventers: 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. Mud Requirement: 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. Cement Requirement: 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 otherwise specified in the approved procedure, the cement plug shall consist of either class "C" , for up to 7,500 feet of depth, mixed at 14.8 lbs./gal. with 6.3 gallons of fresh water per sack or class "H" , for deeper than 7,500 feet plugs, mixed at 16.4 lbs./gal. with 4.3 gallons of fresh water per sack.

6. Dry Hole Marker: 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, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Subsequent Plugging Reporting: 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.

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.