

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAR 08 1995

NM OIL CONS COMMISSION

Drawer DD

Artesia, NM 88210

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

5. Lease Designation and Serial No.
NM-036194

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

NA

8. Well Name and No.

Welch Federal #2

9. API Well No.

30-015-02285

10. Field and Pool, or Exploratory Area

Millman-QN-GR-SA East

11. County or Parish, State

Eddy Co., NM

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

APR - 6 1995

OIL CON. DIV.

DIST 2

915/685-1761

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

SDX Resources, Inc.

3. Address and Telephone No.

P. O. Box 5061, Midland, TX. 79704

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

1650' FNL & 2310' FWL, Section 22, T19S, R28E, Unit Letter F

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

- ☐ 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 plug and abandon well as follows:

Set CIBP at 1623' and cap with a 35 sx plug.

Circulate hole with mud laden fluid. Spot a 25 sx plug 920-1020'. Perforate 7" casing at 600'. Displace 35 sx plug to 500'. Set a 10 sx surface plug and install dry hole marker.

Well history: See attached well data sheet for existing well condition details.

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

Signed (John Pool)

Title Vice President

Date 3/03/95

(This space for Federal or State office use)

Approved by (ORIG. SGD.) JOE G. LARA

Title PETROLEUM ENGINEER

Date 4/4/95

Conditions of approval, if any: See attached. Also tag plug @ 500'. For surface plug - perforate @ 50' & circulate cement thru annulus to surface.

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

SPECIFIC INSTRUCTIONS

Item 4—If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 13—Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et. seq., 351 et. seq., 25 U.S.C. et. seq.; 43 CFR 3160.

PRINCIPAL PURPOSE — The information is to be used to evaluate, when appropriate, approve applications, and report completion of secondary well operations, on a Federal or Indian lease.

ROUTINE USES:

- (1) Evaluate the equipment and procedures used during the proposed or completed subsequent well operations.
- (2) Request and grant approval to perform those actions covered by 43 CFR 3162.3-2(2).
- (3) Analyze future applications to drill or modify operations in light of data obtained and methods used.
- (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION — Filing of this notice and report and disclosure of the information is mandatory once an oil or gas well is drilled.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et. seq.) requires us to inform you that: This information is being collected in order to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

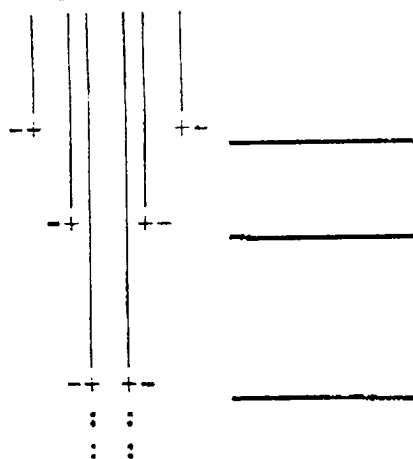
This information will be used to report subsequent operations once work is completed and when requested, to obtain approval for subsequent operations not previously authorized.

Response to this request is mandatory for the specific types of activities specified in 43 CFR Part 3160.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0135), Washington, D.C. 20503.

WELL DATA SHEET



WELL NAME Welch Fed. #2 FILE # 8200-02
 LSE NAME Welch Federal LSE # NM-036194
 LOC. F 22-19S-28E 1650 FNL 2310 FWL
 API# 30-015-02200 02285 STATUS
 FIELD Millman Queen Grayburg
 OIL PUR. Navajo GAS

DRILL AND COMPLETE

ORIG. OP. W.C. Welch
 GL DF 3407 KB
 SPUD DATE 5/11/59 COMP. DATE 7/20/59
 TD 2200 PBDT 2196

TOPS:

SG 1675-85. Gas @ 1735-39.

CASING

HOLE SIZE	CASING	WT. GRADE	DEPTH SET	SKS	TOC
	8		550	50	
	7		2196	120	

COMPLETION

Natural prod. 3 bopd

PERFS 1994-2000, 2000-02, 2078-82, 2116-20, 2130-34, 2174-78. Perforated & treated thru 2" w/1000 bbls of oil & 105000# of sand.

BOPD 110 BWPD 0 MCFPD BHP
 6/5/63

Set ret. BP @ 1750, perf 2/ft. @ 1723-40, frac w/40000 gals lease oil & 40000# sand, recovered gas, frac oil & wtr. Thief gas zone @ 1742-48 took treatment. Sqz perf w/200 sxs cmt, drill out. Sand jet 2 holes/ft. 1724-36, frac w/40000 gals wtr. & 30000# sand. Put on pump. IPP 25 bopd.

Thief gas zone made 200 MCFGPD

REMEDIAL WORK AND WORKOVER

DATE March 1969 Work NMOCC Order # R-3221 converted well to Salt Water Disposal. A Howco R-3 packer was set in 7" @ 1650 on 2 3/8" internally coated plastic tubing.

NMOCC Case No. 4023

Permit No. 3001502200

DATE 1/18/90 WORK RU, released pkr, pulled 1 jt of tbq, found hole, replaced tbq w/1 jt plastic coated tbq, circ pkr fluid, set pkr back as was, tst csq to 300# for 15 minutes - held okay. Put back on injection

New packer, R-4 7".

WELL INVENTORY:

TUBING

Tops : QN: 1470

RODS

SR: 1020

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.