Form 3160-5 (June 1990)

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UNITED STATES Artesia, NM SOLMGAPPROVED
Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. NM-24160 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such RECEIVED 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE OCT 05:94 1. Type of Well XXWcll Gas Well 8. Well Name and No. Other Osage Federal #7 O. C. D. 2. Name of Operator Siete Oil and Gas Corporation ARTESIA, OFFICE 9. API Well No. 30-015-26051 3. Address and Telephone No. (505)622-2202 P.O. Box 2523, Roswell, NM 88202-2523 10. Field and Pool, or Exploratory Area Parkway Yates 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 2080' FWL 11. County or Parish, State Section 35: T19S, R29E Eddy, NM NE성SW¼, Unit Letter K CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Abandonment Notice of Intent Change of Plans New Construction Recompletion Plugging Back Subsequent Report Non-Routine Fracturing Water Shut-Off Casing Repair Final Abandonment Notice Altering Casing Conversion to Injection Dispose Water Other (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.)* See attached for the plugging procedure Siete wishes to do on the above captioned well.

14. I hereby certify that the foregoing is true and correct Signed Ort Nig Critical Title	Regulatory Specialist	Date	9/1/94
(This space for Federal of St. SGD.) JOE G. LARA Approved by	PETROLEUM ENGINEER	Date	9/30/94
Approved by Title Title Tool Title Title Tool Title Title Tool Title Tool Title Title Tool Title Tool Title Tool Title Tool	tag plug across 13%	11059	shoe.

PROPOSED PLUGGING PROCEDURE EXISTING WELL DATA NOTE: ALL OFICIAL CASING WILL BE LEFT IN WELL. 13 % Surface Casing Set @ 350 IN 1912 Her A (INSTALL 8 X 23/8" BOP CEMENTED WHOO SKS. CIRCULATED TO SURFACE B (TOH W/REDS & TUBING C PU CIBP & SET @ 1400' DY LIRCULATE HOLE W/94 CUT BriNE CONTAINING 12/2 /Bbi Gel E (Spot 20 SK. LINES"C" CEMENT PLUE ON Top OF CIBP @ 1400' - 1200' (200' P.u.) F (Spot 20 SK. CLASS "C" CEMENT PLUE @ 450-250' (200' PAU 6) G (Spot 10 SK CLASS"C" COMENT PLOGE 100'- SURFACE H (CUT OFF WELL HEAD BELOW GrouNO 1 (INSTALL DRY HOLE MARKER W/OperATER Name, Well Name & No. , LEGAL Description 1200 JECLEAN Up hOCATION CEMENT SET TBC, CONVEGED CIBP @ 1400 PERFORATED INTERVAL 1434'-1449' 5/2" PRODUCTION CASING SET Q 1700 IN 7% HOL CEMENTED 4/410 SKS & 1" TO SCREACE

BUREAU OF LAND MANAGEMENT CARLSBAD RESOURCE AREA

Permanent Abandonment of Wells on Federal Lands

Conditions of Approval

- 1. <u>Approval:</u> Plugging operations shall commence within 90 days from the approval date of plugging procedure.
- 2. <u>Notification:</u> 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. <u>Blowout Preventers:</u> 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. <u>Mud Requirement:</u> 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. <u>Cement Requirement:</u> 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. <u>Dry Hole Marker:</u> 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. <u>Subsequent Plugging Reporting:</u> 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 <u>date</u> 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.