

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONS. COMMISSION
Drawer DD
Artesia, NM 88210

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

2. Name of Operator

Siete Oil and Gas Corporation

3. Address and Telephone No.

P. O. Box 2523, Roswell, NM 88202-2523 (505) 622-2202

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

1980' FSL & 2080' FWL
Section 35: T19S, R-29E
NEL/4 SW1/4, Unit Letter K

5. Lease Designation and Serial No.

NM24160

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Osage Federal #7

9. API Well No.

30-015-26051

10. Field and Pool, or Exploratory Area

Parkway Yates

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Re: NM-067-JA-1066
	Non-Compliance
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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.)

RE: Notice of Incident of Noncompliance.

We have reevaluated this well and ask you to change the proposed order from Plug & Abandon to Temporary Abandon Status.

The Zone that we completed in originally produced 10 BOPD & 2 BWPD, It has an average porosity of 21% and when drilled flowed oil into the mud system.

This Zone is in several wells in the field and could possibly be a good waterflood candidate.

We are also in the process of selling this lease. The sale should be finalized in September or October, 1995.

We would appreciate your consideration to classify the Osage Federal #7 as a Temporarily Abandoned Well.

RECEIVED

AUG 23 1995

OIL CON. DIV.
DIST. 2

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

Signed Harold R. Juster Title Vice-President, Drilling Date 7/29/95

(This space for Federal or State office use)

Approved by (ORIG. SCD.) JOE G. LARA Title PETROLEUM ENGINEER Date 8/21/95

Conditions of approval, if any: See attached. Tests to be performed within 30 days.

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

(Rev: 1/12/95)

BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA

Temporary Abandonment of Wells on Federal Lands

Conditions of Approval

Temporary Abandonment (TA) status approval requires: A) Successful Casing Integrity Test and, B) Successful Bradenhead Test.

Any temporary abandonment request must be submitted on a Sundry Notice (Form 3160-5), one (1) original signature and five (5) copies, and include the following:

1. Justification why the well should be temporarily abandoned rather than permanently plugged and abandoned.
2. Description of the temporary abandonment procedure.
3. A complete wellbore diagram shown as temporarily abandoned.
4. The anticipated date the operations will occur.

Contact the appropriate BLM office at least 48 hours prior to the scheduled Casing Integrity and the Bradenhead Tests. For wells in Eddy County call (505) 887-6544 ; for wells in Lea County call (505) 393-3612.

A) Casing Integrity Test for TA:

1. Install an isolation device (such as a retainer or bridge plug) within 50' to 100' of the top perforation or cement plug that extends at least 50' above each set of open perforations. Unless prior approval is granted by the Authorized Officer, fill the well bore with conditioned, non-corrosive fluid and shut-in at the surface. If a cement plug is used, the top of the cement must be verified by tagging. If the wellbore had more than one producing horizon, the lower set(s) of perforations or open hole must meet the requirements for permanent plug to abandonment, unless justification is provided by the operator not to do so.

2. A test demonstrating casing mechanical integrity is required. An approved method is a pressure test of the casing and uppermost plug. The pressure test conducted shall be a minimum of 500 psi surface pressure with less than 10 percent pressure drop within thirty (30) minutes. In no event shall the pressure test required exceed seventy (70) percent of the internal yield of the casing. In the case of an unsuccessful test, the operator shall either correct the problem or plan to plug and abandon the well. Alternative methods demonstrating casing mechanical integrity may be approved by the Authorized Officer on a case-by-case basis.

B) Bradenhead Test for TA:

1. Record the pressure measured on each casing string, including intermediate casing, using deadweight or calibrated pressure gauge.

2. Open the bradenhead valve to the atmosphere. If gas or water flow is observed or indicated, flow the bradenhead for a minimum of fifteen (15) minutes and record pressures at five (5) minute intervals on the production, intermediate and surface casing. Describe in detail any fluids flowing from the bradenhead including measured or estimated rates of flow. A water and/or gas analysis may be required.

Wells that successfully pass the casing integrity test and the bradenhead test will be approved for Temporary Abandonment (TA) status for 12 months provided that the operator:

1. Submits within thirty (30) days a subsequent Sundry Notice (one (1) original signature and five (5) copies) requesting TA approval,

2. Attaches a clear copy or the original of the pressure test charts,

If the well does not pass the casing integrity test and/or the bradenhead test, then the operator shall within 90 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.