

JAN-15-2001 09:13

Form 3160-3
(August 1999)McGEE ONSHORE
UNITED STATESDEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOil Cons. 2 715 4951 P.O. 2
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB NO. 1004-0158

Expires: November 30, 2001

Lease Serial No.

Bunnel-NM 0424859

6. If Indian, Allottee or Tribe Name

WIBY 1Y-NM 017106

7. If Unit or C/A Agreement, Name

8. Well Name and No

Bunnel Federal #2

West Indian Basin Unit # 1Y

9. API Well No. Bunnel 30-015-25007

WIBU #1Y 30-015-30945

10. Field and Pool, or Exploratory

Indian Basin Upper Penn Gas

11. County or Parish, State

Eddy, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR McGEE

3a. Address

P.O. Box 867 Andrews, Tx. 79714

3b. Phone No. (include area code)

915-634-9765

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

Bunnel Fed. # 2-1200' FSL, 330' FEL, Sec. 18, T215, R 23E

WIBU #1Y 1980 FWL, 660' FSL, Sec. 17, T215, R 23E

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

TYPE OF SUBMISSION

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

TYPE OF ACTION

- ☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-In
- ☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
- ☐ Casing Repair ☐ New Construction ☐ Recomplete ☒ Other Surface
- ☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon ☐ Cammingle
- ☐ Convert to Injection ☐ Plug Back ☐ Water Disposal

13. Describe Proposed or Commencement Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration of work. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markets and zones. Attach the Joint Order, 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 recompletion in a new interval, a Form 3160-4 shall be filed when drilling 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 final site is ready for final inspection.)

Combine gas flow from West Indian Basin Unit #1Y and 5 with Bunnel Federal #2 at West Indian Basin Unit Gas Compression Facility at the West Indian Basin Unit #1Y location. This will lower overall compression costs and extend the economic life of all 3 wells, and lower air emissions. Each well will have its own electronic meter for gas measurement. All free liquids at the Bunnel Federal #2 will be metered on location and then trucked to the Marathon Plant. All free liquids at the WIBU #1Y and 5 will be metered separately. Water will be transferred to the Bunnel Federal 3 SWD and disposed. Condensate is not being produced with the liquid stream. Some is dumped from the compressor and will be hauled to the Marathon Plant for allocation. Gas transfer for all 3 wells will be at the WIBU #1Y location. Marathon Meter # 017119.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

Bureau of Land Management
Received

JAN 02 2002

Carlsbad Field Office
Carlsbad, N.M.

14. I hereby certify that the foregoing is true and correct (Name (Printed/Typed))

Doug Casteel

Title

Operations Technician

Date

8-16-01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

Title

PETROLEUM ENGINEER

Date

JAN 23 2002

Office

Signatures of applicant, 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 enable the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, 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.

TOTAL FEE