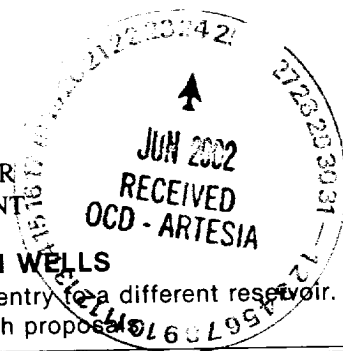


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



CISF

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 for 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

Dinero Operating Company

3. Address and Telephone No.

P.O. Box 10505 Midland, Texas 79702 (915) 684-5544

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

1,980' from west line, 660' from north line
Section 16, T-22-S, R-28-E

5. Lease Designation and Serial No.

006224

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Dinero State Comm. #1

9. API Well No.

30-015-23851

10. Field and Pool, or Exploratory Area

Dublin Ranch Morrow

11. County or Parish, State

Eddy

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.)*

Will set 25 sack plug at 9,950'. Top perf is 10,620' to 10,690' in 4 1/2" csg.
Will pull 8,700' of 7 5/8" and set cement plug 50' above & below cut off.
Will set 100' plug at 9,700' (Wolfcamp); set 100' plug @ 7,440' (Bone Springs);
will set 100' plug at 2,730' (Delaware); set 25 sack plug at 2,360' (salt zone);
Set 60' plug at surface.

This well has: 20" set 39' cement to surface
16" set 450' cement to surface
10 3/4" set at 2,595' cement to surface
7 5/8" set at 10,727' top cement 8,700'
4 1/2" liner at 10,251' to 10,700' cemented

See Attached

*WOULD LIKE TO PLUG JULY 15, 2002

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

Signed

Charles Williams

Title Production Superintendent

Date 6/21/02

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

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; 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.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

1 July 2002

Dinero Operating Co.
P.O. Box 10505
Midland, Texas 79702

RE: Dinero State Comm. # 1

C-16-22-28

30-015-23851

Dear Mr. Williams,

The state cannot approve the plugging procedure of the Dinero State Comm. # 1 on the B.L.M. Form 3160. (copy attached) Please submit an O.C.D. Form C-103 with your intent. If you want to P&A the well, a well bore diagram with some changes is enclosed. The diagram shows the P&A procedure, which would be approved. Thank you very much for your help in resolving this matter.

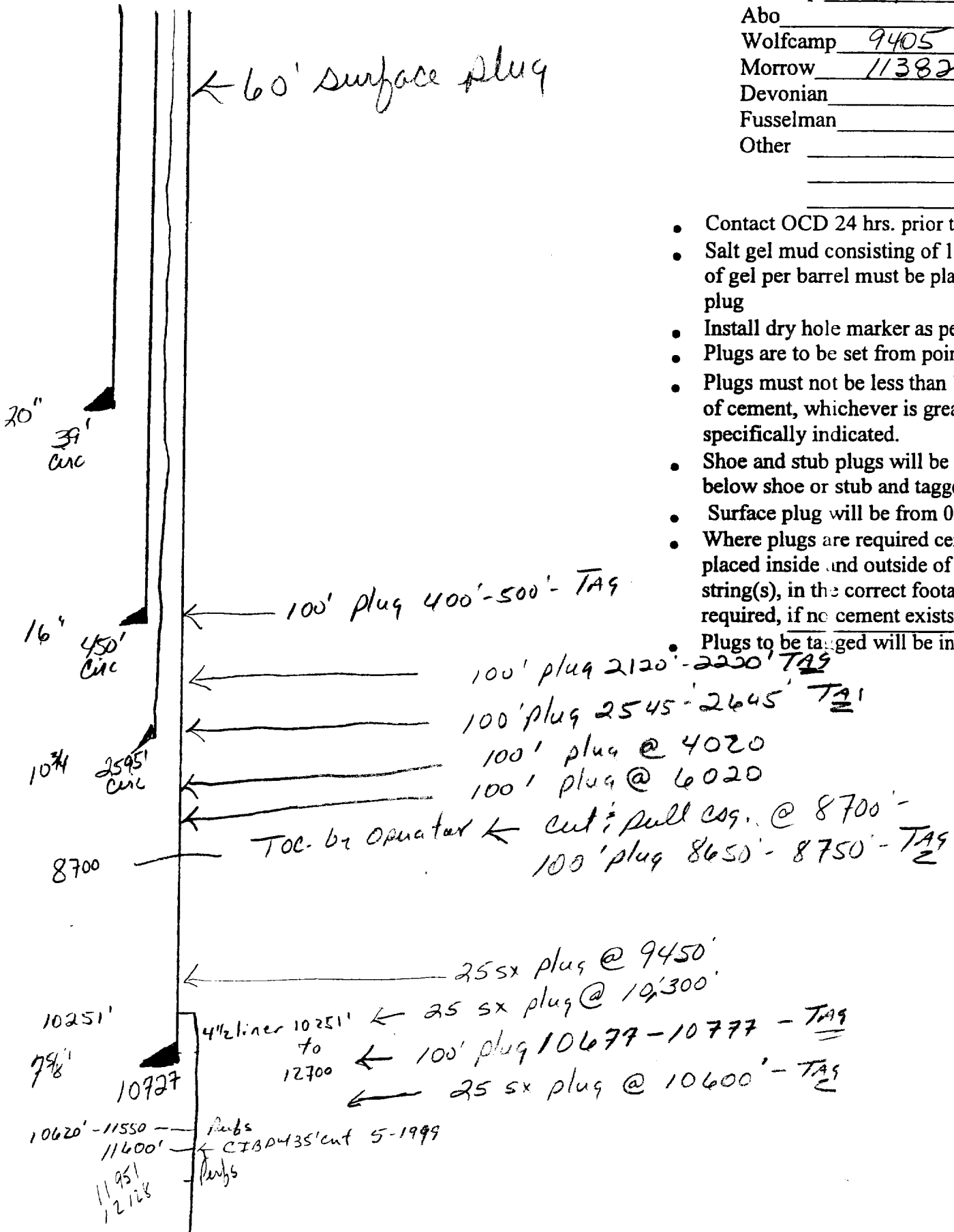
Respectfully,

Van Barton
Field Rep.II

Operator Dinero Operating
 Well Dinero St. m#1
 Unit C Section 16 Township 22 Range 28
 API # 30-015-23851

TOPS

Salt 450
 B. Salt 2170
 Yates _____
 Glorieta _____
 Delaware _____
 Bone Sp. 5970
 Abo _____
 Wolfcamp 9405
 Morrow 11382
 Devonian _____
 Fusselman _____
 Other _____



- Contact OCD 24 hrs. prior to any work done
- Salt gel mud consisting of 10# brine with 2% of gel per barrel must be placed between each plug
- Install dry hole marker as per rule 202.B.2
- Plugs are to be set from point indicated up
- Plugs must not be less than 100' or 25 Sacks of cement, whichever is greater, unless specifically indicated.
- Shoe and stub plugs will be 50' above and below shoe or stub and tagged.
- Surface plug will be from 0' - 60'
- Where plugs are required cement must be placed inside and outside of all casing string(s), in the correct footage or sacks required, if no cement exists.
- Plugs to be tagged will be indicated.