

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. Jicarilla Contract #398
2. Name of Operator James L. Ludwick	6. If Indian, Allottee or Tribe Name Jicarilla Apache
3. Address and Telephone No. P.O. Box 70, Farmington, NM 87499 / 505-325-1079	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FSL & 990' FEL NESE Sec. 15-T23N-R4W	8. Well Name and No. M & M #1
	9. API Well No. 30 03922958 00
	10. Field and Pool, or Exploratory Area Ballard P.C.
	11. County or Parish, State Rio Arriba NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input 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 type="checkbox"/> Other
	<input 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.)*

Request approval to plug the well M & M #1 to comply with the demands of the State Oil & Gas Conservation Division.

Propose to complete the following work:

1. Rig up American Energy
2. Load 2 7/8" casing, break down perf, establish flow rate.
3. Mix 90 sks 106 cubic ft. class B neat 15.6# cement.
4. squeeze 10 sks into perforations @ 2824', 2828', 2830', 2832'
5. Install hole marker
6. No location was made, soil was not disturbed
7. Clean up location.

04 MAR 22 AM 11:07
010 ALBUQUERQUE, N.M.

****see attached letter from State Conservation Division

14. I hereby certify that the foregoing is true and correct			
Signed	<i>James L. Ludwick</i>	Title	Operator
(This space for Federal or State office use)		Date	3/17/2004
Approved by	/s/ David R. Sitzler	Title	Division of Multi-Resources
Conditions of approval, if any:		Date	APR 12 2004

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

CONDITIONS OF APPROVAL FOR PERMANENT ABANDONMENT

Operator James L. Ludwick

Well Name Jic 398, M&M #1

1. Plugging operations authorized are subject to the "General Requirements for Permanent Abandonment of Wells on Federal Leases."
2. For wells on Federal leases, Alfonso Atencio with the Cuba Field Office is to be notified at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 289-3748, ext 218. Office hours are 7:45 a.m. to 4:30 p.m.

For wells on Jicarilla leases notify Bryce Hammond with the Jicarilla Apache Tribe at least 24 hours (48 hours if possible) before the plugging operations commence. His phone number is (505) 759-1783 ext. 28.

3. Blowout prevention equipment is required.
4. The following modifications to your plugging program are to be made :
 - A. A cement plug will be placed opposite all open perforations and extend a minimum of 50 feet below (except as limited by PBTD) and above the perforated interval.
 - B. A cement plug will extend a minimum of 50 feet above and below the shoe of the surface casing.
 - C. No annular space that extends to the surface shall be left open to the drill hole below.
 - D. A cement plug of at least 50 feet shall be placed across all annuluses. The top of this plug shall be placed as near the eventual casing cutoff point as possible.
 - E. A surface cap shall be installed.

BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work should be submitted with a Sundry Notice. Questions? Call Lucas Vargo (505) at 289-3748 or (505) 761-8700.

1. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location. Non-retrieved flowlines and pipelines will be abandoned in accordance with State Rule 714. Information supporting the non-retrieval will be included in the subsequent report or final abandonment Sundry Notice.

2. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils can be remediated on-site according to these guidelines or disposed of in an approved facility.

3. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped/disked to a minimum of 12" in depth before reseeding.

4. Access roads will be shaped to conform to the natural terrain and left as rough as possible to deter vehicle travel. Access will be ripped to a minimum of 12" in depth, water barred and reseeded. All erosion problems created by the development must be corrected prior to acceptance of release. Water bars should be spaced as shown below along the fall line of the slope:

<u>% Slope</u>	<u>Spacing Interval</u>
Less than 20%	200'
2 to 5 %	150'
6 to 9 %	100'
10 to 15 %	50'
Greater than 15%	30'

5. All disturbed areas will be seeded with the prescribed certified seed mix (reseeding may be required). Seed mix must be certified weed free to avoid the introduction of noxious weeds. Refer to the original APD for seed mix.

6. Notify Surface Managing Agency seven (7) days prior to seeding so that they may be present to witness.

7. The period of liability under the bond of record will not be terminated until the well is inspected and the surface rehabilitation approved.

Other Surface Managing Agencies (SMA's) may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us. On private land, a letter from the fee owner stating that the surface restoration is satisfactory will be provided to the office. Questions? Call Lucas Vargo at (505) 289-3748 or (505) 761-8700.