

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FEB 27 2012  
Bureau of Land Management

## SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
SAGEBRUSH OIL, INC.3a. Address  
HC 78 BOX 21 REGINA, NM 870463b. Phone No. (include area code)  
575-638-91374. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1670 FEL, 2294 FEL, SEC 21, T. 18N, R.3W5. Lease Serial No.  
NMNMSF-081160F

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
SAN LUIS FEDERAL NO. 119. API Well No.  
30045062 30-043-0506210. Field and Pool, or Exploratory Area  
SAN LUIS MESAVERDE11. County or Parish, State  
SANDAVOL, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input checked="" type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under 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 recomplate in a new interval, a Form 3160-4 shall be filed once testing 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 site is ready for final inspection.)

USING DOWNHOLE WATER SINK (DWS) TECHNOLOGY TO DUAL COMPLETE A WELL IN ORDER TO PREVENT THE MOST COMMON CAUSE OF UNRECOVERED OIL IN RESERVOIRS WITH BOTTOM WATER DRIVE WHICH CAUSES WATER CONING. TO PREVENT BYPASSING OIL PRODUCTION THAT MAY RANGE FROM 40% TO 90%. EXCESSIVE WATER PRODUCTION, THE SINGLE REASON FOR SHUTTING-IN THOUSANDS OF WELLS AND MAKING THEM INACTIVE OR WATER-OUT, MAKING A LARGE NUMBER OF WELLS IDLE, NOT BECAUSE THE REOURCES HAVE BEEN DEPLETED, BUT BECAUSE THE WATER CAUSES LARGE AMOUNTS OF LOST OIL PRODUCTION.

DRILL THROUGH THE OIL AND WATER COLUMNS AND DUAL-COMPLETED IN BOTH ZONES. THE WATER-DRAINAGE COMPLETION IS GRAVEL PACKED AND ISOLATED FROM THE OIL COMPLETION WITH A PACKER AND 3 1/2" TUBING. A DOWNHOLE PROGRESSIVE CAVITY PUMP LIFTS THE WATER TO THE TUBING, WHILE THE FORMATION PRESSURE DRIVES THE WATER-FREE OIL UP THE ANNULUS BETWEEN THE TUBING AND CASING. THE WATER IS PUMPED DIRECTLY TO THE DISPOSAL SYSTEM. DRAINING THE WATER FROM THE BOTTOM COMPLETION WILL CONTROL WATER SATURATION AROUND THE WELL AND PREVENT WATER INVASION INTO THE TOP COMPLETION. ATTACHED IS SCHEMATIC OF DWS WATER DRAINAGE-PRODUCTION.

IF THE ABOVE PLAN IS NOT SUCCESSFUL THE PROPOSAL IS TO SET A PACKER AT THE DEPTH OF THE WATER-OIL CONTACT & PLACE WATER FITS WITH AERATING PUMPS BY AUGUST 30 2012.

well was returned to production 4/12

RCVD MAR 6 '12  
GIL GENS. DIV.  
DIST. 3

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

BETH CHARLES

Title PRESIDENT

Signature

Date

02/16/2012

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

FEB 29 2012

Conditions of approval, 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 entitle the applicant to conduct operations thereon.

Office

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

(Instructions on page 2)

NMOCD AV

