

RECEIVED

New Mexico Oil Conservation Division, District I

1625 N. French Drive

Hobbs, NM 88240

Form 3160-5  
(August 2007)

OCT 06 2009

HOBBSOCD

UNITED STATES

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No 1004-0137  
Expires: July 31, 2010**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.****SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well

☒ Oil Well☐ Gas Well☐ Other

Inj

2. Name of Operator

EOR OPERATING COMPANY

3a. Address

ONE RIVERWAY SUITE 610  
HOUSTON, TX 77056

3b. Phone No. (include area code)

832-485-8500

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

2310' FNL & 990' FEL  
UL 19-8S-35E

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

NMNM70990X

8. Well Name and No.  
MILNESAND SA 3179. API Well No.  
30-041-10195

10. Field and Pool or Exploratory Area

MILNESAND SA

11. Country or Parish, State

ROOSEVELT, NM

12. CHECK THE 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 type="checkbox"/> Production (Start/Resume)	<input 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 checked="" 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 recompleate 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

START DATE: 4/15/08

WELL FAILED MIT.

1.) RU, POOH W/TBG &amp; EXISTING PKR. RIH W/ BIT &amp; SCRAPER TO BOTTOM &amp; CLEAN OUT FILL.

2.) RIH W/PKR &amp; PLUG, TEST CSG. IF CSG NEEDS REPAIR. LOCATE HOLE &amp; CEMENT SQZ. DRILL OUT CEMENT.

3.) RIH W/ EXITING 2 3/8" IPC TBG. REPLACE TBG IF NEEDED. RUN NEW 4 1/2" HES G6 PKR. SET PKR @ APPROXIMATELY 4500'

4.) CIRCULATE PACKER FLUID. SET PKR &amp; TEST ANNULUS TO 500 PSI.

5.) NIPPLE UP WELL HEAD. RD, MOVE OFF PULLING.

6.) (4 1/2" 9.5# CSG @ 4717', PERFS 4633'-4706')

APPROVED FOR THREE MONTH PERIODENDING JAN 04 20102009 SEP 24 AM 10:57  
BUREAU OF LAND MGMT.  
ROSWELL OFFICE

RECEIVED

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

Lawrence A. Spittler, Jr.

Title Sr. Well Operations Supervisor

PETROLEUM ENGINEER

Signature

Date 09/21/2009

KZ OCT 07 2009

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

/S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date SEP 28 2009

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify

which would

Office

ROSWELL FIELD OFFICE

\*Please Pay Close Attention To Part 2.E. Of  
The Conditions Of Approval. Please Call The  
Roswell Field Office At (575) 420-2832 Or After  
Hours Call (575) 627-0205 At Least 24 Hours  
Prior To The Scheduled Casing Integrity Test.

any person knowingly and willfully to make to any department or agency of the United States any false,  
misleading or fraudulent statement or report, or to withhold or conceal any information which isSEE ATTACHED FOR  
CONDITIONS OF APPROVAL

## New Mexico Oil Conservation Division, District I

1625 N. French Drive

Hobbs, NM 88240

Form  
(August 2007)

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

FORM APPROVED

OMB No. 1004-0137

Expires: July 31, 2010

## SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE - Other instructions on page 2.

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☒ Oil Well☐ Gas Well☐ Other

## 2. Name of Operator

EOR OPERATING COMPANY

## 3a. Address

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HOUSTON, TX 77056

## 3b. Phone No. (include area code)

832-485-8500

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
2310' FNL & 990' FEL  
UL D 19-8S-35E5. Lease Serial No.  
NMLC060978

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.  
NMNM70990X8. Well Name and No.  
MILNESAND SA 3179. API Well No.  
30-041-1019510. Field and Pool or Exploratory Area  
MILNESAND SA11. Country or Parish, State  
ROOSEVELT, NM

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

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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 recompleate 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

START DATE: 5/9/08 COMPLETION DATE: 5/21/08

- 1.) RU, POOH W/TBG & EXISTING PKR. RIH W/ BIT & SCRAPER TO 4572'. TOH W/ BIT & SCRAPER.
- 2.) RIH W/PKR & PLUG. SET RBP @ 4556'. TEST CSG. EST INJECTION RATE @ 1/4 BPM @ 600 PSI. MOVED RBP UP TO 1020'. TESTED CSG TO 500 PSI. CONTINUE RBP PROCESS. LOCATED HOLE IN CSG @ 136'. CSG FROM 137' TO 4556' TESTED.
- 3.) RU ELECTRIC LINE CO. SET 4 1/2" CIBP @ 4548'. DUMPED 35' OF CEMENT ON TOP OF CIBP VIA DUMP BAILER. RD ELECTRIC LINE CO.
- 4.) RU HALLIBURTON PUMPED 50 SKS OF CLASS "C" CEMENT INTO HOLE IN CSG @ 136'. PUMPED 1 BBL OF DISPLACEMENT. SQUEEZED OFF HOLE WITH 300 PSI. SHUT IN WELL. RD HALLIBURTON.
- 5.) RIH W/ BIT & DC'S. TAG TOP OF CEMENT @ 84'. RU SWIVEL. DRILLED OUT CEMENT SQUEEZE. FELL OUT OF CEMENT. THE TAGGED TOP OF CEMENT ABOVE CIBP. CIRCULATED HOLE CLEAN. DISPLACED HOLE WITH TREATED PKR FLUID. TOH WITH WORK STRING.
- 6.) NOTIFIED OCD TO SCHEDULE A MIT.
- 7.) NIPPLE UP WELL HEAD W/1 JT. OF 2 3/8" TBG. NEW SLIPS, RUBBER & WELLHEAD CAP.
- 8.) 5/20/08 CONDUCTED MIT, MIT PASSED.
- 9.) RD, MOVE OFF PULLING.
- 10.) (4 1/2" 9.5# CSG @ 4717', PERFS 4633'-4706'

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

Lawrence A. Spittler, Jr.

Title Sr. Well Operations Supervisor

Signature

Date 09/21/2009

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Title

Date

OCT 07 2009

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)

**BUREAU OF LAND MANAGEMENT**  
**Roswell Field Office**  
**2909 West Second Street**  
**Roswell, New Mexico 88201**  
**575-627-0272**

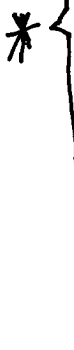
**Temporary Abandonment of Wells on Federal Lands**  
**Conditions of Approval**

A temporary abandoned well is defined as a completion that is not capable of production in paying quantities but may have value as a service well. Pursuant to 43 CFR 3162.3-4(c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
  - A. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
  - B. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
  - C. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
  - D. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
  - E. Contact the BLM Roswell Field Office office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Chaves and Roosevelt County, call (575) 420-2832 or after office hours call (575) 627-0205.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for a 12 month period provided by the operator.

- 
1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
  2. Attaches a clear copy of the original pressure test chart.
  3. Provided justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.
  4. Describes the temporary abandonment procedure.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative.

If the well does not pass the casing integrity test, then the operator shall within 30 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.