

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTRECEIVED  
600 ArtesiaFORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

## 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.

5. Lease Serial No.

NMLC029388B

6. If Indian, Allottee or Tribe Name

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

NADEL AND GUSSMAN HEYCO, LLC

3a. Address

PO BOX 1936 ~ ROSWELL NM 88202-1936

3b. Phone No. (include area code)

505/623/6601

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

1650' FSL &amp; 660' FEL, Sec. 11 NESE, T18S, R31E

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

8. Well Name and No.

AJ 11 Federal #2

9. API Well No.

30-015-26158

10. Field and Pool, or Exploratory Area

Tamano, Bone Spring

11. County or Parish, State

Eddy, New Mexico

## 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 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 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 shall 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 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.)

BLM Bond No. NMB000520

Surety Bond No. B004230

Nadel and Gussman HEYCO, LLC proposes upon approval from partners in approximately 30 days to recompleate to the Grayburg formation. Would set CIBP at 4,310' with 35 feet of cmt on top per abandonment regulations and test interval. To complete to the Grayburg 4170'-4178', acidize with 1,500 gallons of 15% HCL and place the well on pumping production. If we do not receive partner approval to recompleate to the Grayburg we will proceed to propose plugging well. Once we have received partner response, we will submit another Sundry letting you know the status and intent.

Accepted for record  
NMOC

10/21/2013

After ~~APR 29 2013~~ the well must be online  
or plans to P & A must be submitted.SEE ATTACHED FOR  
CONDITIONS OF APPROVAL14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Tammy R. Link

Title Production Tech

Signature

Date

01/10/2013

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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

JAN 29 2013

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD 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)

RECEIVED DEC 14 2012

I &amp; ECFO

Number 13DN001WTA

Page 1 of 2

☒ Certified Mail - Return  
Receipt Requested  
70083230000209879675UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
I & ECFO  
NOTICE OF WRITTEN ORDER

IDENTIFICATION	
ID	
Lease	NMLC029388B
CA	
Unit	
PA	

Bureau of Land Management Office CARLSBAD FIELD OFFICE				Operator NADEL & GUSSMAN HEYCO LLC			
Address 620 E GREENE STREET CARLSBAD NM 88220				Address P O BOX 1936 ROSWELL NM 88202-1936			
Telephone 575.234.5972				Attention			
Inspector NEGRETE/ SULLIVAN				Attn Addr			
Site Name AJ 11 FEDERAL	Well or Facility 2	1/4 1/4 Section NESE 11	Township 18S	Range 31E	Meridian NMP	County EDDY	State NM
Site Name AJ 11 FEDERAL	Well or Facility 2	1/4 1/4 Section NESE 11	Township 18S	Range 31E	Meridian NMP	County EDDY	State NM
Site Name AJ 11 - 2	Well or Facility A	1/4 1/4 Section NESE 11	Township 18S	Range 31E	Meridian NMP	County EDDY	State NM

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
12/06/2012	15:00	01/16/2013		43CFR3162.1(a) / 43CFR3162.3-4(c)

## Remarks:

THE ABOVE REFERENCED WELLS ARE TEMPORARY ABANDONED / SHUT-IN WITHOUT PRIOR APPROVAL.

43 CFR 3162.3-4 (c) REQUIRES THAT WELL(S) INCAPABLE OF PRODUCTION IN PAYING QUANTITIES BE PROMPTLY PLUGGED AND ABANDONED AND REQUIRES APPROVAL FOR ANY WELL TEMPORARILY ABANDONED FOR MORE THAN 30 DAYS.

THEREFORE YOU ARE ORDERED TO DO ONE OF THE FOLLOWING.

1. RETURN THE WELL TO PRODUCTION OR BENEFICIAL USE.

(Remarks continued on following page(s).)

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title

Production Analyst

Signature

[Signature]

Date

1/11/13

Company Comments

See Attached Sunday

## Warning

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues; not to exceed a maximum of 20 days.

## Review and Appeal Rights

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer

[Signature]

Date

12/6/2012

Time

1500 Hrs.

## FOR OFFICE USE ONLY

Number 51	Date	Type of Inspection RR
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BLM Remarks, continued

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2. SUBMIT NOTICE OF INTENT TO PLUG AND ABANDON.

FOR MONITORING AND TRACKING PURPOSES, PLEASE SUBMIT APPROPRIATE PAPERWORK TO THIS OFFICE ATTENTION:  
DINAH NEGRETE.

IF YOU HAVE ANY QUESTIONS, CONTACT DINAH (DENA) NEGRETE (575) 234-5952.

## Conditions of Approval

Nadel and Gussman Heyco, LLC.

AJ 11 Federal 02

API 3001526158

January 29, 2013

1. CIBP shall be set 50'-100' above the top perforations. Operator can bail 35' of Class C neat cement.
2. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard <bballard@blm.gov> 575.234.5973.
3. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
4. Notify BLM 575-361-2822 before plug back procedures. The procedures are to be witnessed. If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
5. Surface disturbance beyond the existing pad must have prior approval.
6. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
7. Functional H<sub>2</sub>S monitoring equipment shall be on location.
8. A minimum of a 2M BOP is required and must be tested prior to beginning work.
9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
10. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
11. The BLM PET witness is to run tbg tally and agree to cement placement. Sample each plug for cement curing time and tag and/or pressure test (WOC time of 4-8 hours recommended) as requested by BLM PET witness.
12. File a **subsequent sundry** Form 3160-5 within 30 days of the plug back and acid treatment. Include an updated wellbore diagram.
13. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.

JAM 012913