

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.
NM-17103

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Lee Federal 001

2. Name of Operator
Strata Production Company

9. API Well No.
30-015-24629 24209

3a. Address
P.O. Box 1030, Roswell, NM 88202-1030

3b. Phone No. (include area code)
575-622-1127

10. Field and Pool or Exploratory Area
Burton Flat Morrow

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2310' FSL & 660' FWL, S25-T20S-R28E

11. County or Parish, State
Eddy County, New Mexico

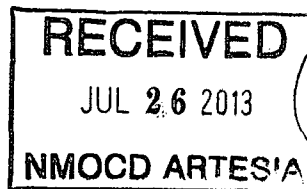
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 checked="" 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 recompleat 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 recompleat 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.)

Attachment:

RDade 7/31/2013
Accepted for record
NMOC



SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Jennifer Zapata

Title Production Analyst

Signature

Date 07/23/2012

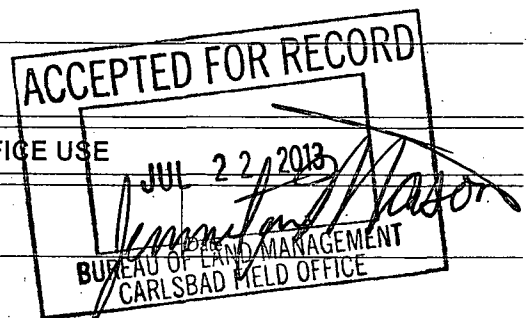
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.



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)

Strata Production Co.

Lee Federal #1

4-26-2012

Road rig from Forty Niner #14 location to Lee Federal #1. Move in and rig up Aries well services rig #45. SIP – 0 psi. Move in and rig up Pro slickline truck. Go in the hole with 1" weight bar. Tag up on hard spot at 1,932'. Work through and continue in the hole down to 10,860'. Pull out of hole with slick line. Rig down and release Pro. Secure well and shut down for night.

4-27-2012

Drive to location. Hold tailgate safety meeting. Move in and rig up Select services pump truck. Rig up on 2 3/8" tubing and pump 60 barrels 2% KCL water at 3.0 bpm with 0 psi. Rig up pump on casing and pump 260 barrels of 2% KCL water. Backside would never load. Nipple down wellhead and nipple up 7 1/16" 5M hydraulic BOP. Pick up on tubing and string weight was only 15K. Pulled out of hole as follows: 1 – joint, 1 – 10' sub, 1 – 8' sub, 1 – 2' sub and stood back 58 joints of tubing in the derrick. Found joint # 59 completely rotted into. Secure well and shut down for night.

4-28 & 29-2012

Shut down for weekend.

4-30-2012

Drive to location. Hold tailgate safety meeting. SIP – 0 psi. Move in WRH fishing tools. Make up BHA as follows: 4 5/8" overshot, bumper sub, jars, 6 – 3 1/2" drill collars, 3 3/4" accelerator, XO and go in the hole with 54 joints of 2 3/8" tubing. Work overshot onto joint of 2 3/8" tubing. Work to release lockset packer. Work on releasing packer for 4 hours. Packer finally released pull out of hole and stand back 58 joints of tubing in the derrick. Break out fishing assembly and 20' of rotted joint. Stand back remaining 290 joints of tubing in the derrick. Break out lockset packer and 15' of cutoff joint from below packer. Send packer in to Kenco oil tools for rebuild. Send in well head to Artesia field service for repair. Secure well and shut down for night.

Strata Production Co.

Lee Federal #1

5-1-2012

Drive to location. Hold tailgate safety meeting. SIP – 0 psi. Make up and go in the hole with 4 5/8" overshot, XO and 58 joints of 2 3/8" tubing to retrieve TCP guns. Could not get past 1932'. Pull out of hole and stand back 58 joints of 2 3/8" tubing. Break out and inspect 4 5/8" over shot. Found bottom edge scrapped and nicked severely. Stand by and wait for Rotary wire line to arrive on location. Rotary on location. Make up 1 7/16" collar locator and go in the hole. Found 4' gap in 5.5" casing from 1937'-1933'. Pull out of hole and release Rotary wireline. Secure well and shut down for night.

5-2-2012

Drive to location. Hold tailgate safety meeting. Sip – 0 psi. Move in and set in WRH catwalk and 2 sets of pipe racks. Open up 9 5/8" to half pit. Well flowed back 20-25 barrels of oil for 30 minutes then died. Nipple down 7 1/16" 5M Hydraulic BOP. Move in WSI wellhead with hydraulic wrenches to nipple down 11" 5M x 7 1/16" 5M tubing head. Worked to nipple down for 4 hours. Clean and inspect wellhead. Nipple back up tubing head and BOP. Secure well and shut down for night. Casing crew not available. Hung out on job and all others not available.

5-3-2012

Drive to location. Hold tailgate safety meeting. SIP – 0 psi. Move in WSI wellhead and nipple down 7 1/16" hydraulic BOP and 11" 5M x 7 1/16" 5M Tubing head. Change out 2 7/8" elevators and replace with 2 7/8" AOH elevators. Move in and rig up Big Bear laydown machine and Permian Power tongs casing crew. Pick up 1 – 10' 2 7/8" AOH sub, XO, 5.5" no go and 4.805" casing spear. Sting spear in 2' and pull up to pull casing slips. Pull out of hole with cut off joint and laydown onto pipe racks. Change out 2 7/8" AOH elevators and rig up 5.5" elevators for casing. Nipple up 11" 5M crossover spool, 11" 3M x 10" spool. Nipple up 10" hydraulic BOP with 5.5" rams on top and blinds on bottom. Start out of hole and laydown casing onto pipe racks. Lay down 1 cut off joint at 30.4', 45 joints at – 1867.19' and 1 joint rotted into at 24.9'. Total casing pulled – 1922.49'. Rig down and release Big Bear laydown machine and Permian Power tong. Send tubing head in to WSI wellhead for inspection and rebuild. Secure well and shut down for night. ** Note** While attempting to laydown first joint of casing laydown operator did not put pins in laydown slide. This caused it to pop off while laying down joint. The operator tried to hold it in place to keep from falling. He could not hold it resulting in it falling onto his arms and knocking him down onto the ground. He refused to seek medical attention at the hospital. He did however use a first aid kit and cleaned himself up and wrapped with bandages. He did go back to work and continue laying down casing.

Strata Production Co.

Lee Federal #1

5-4-2012

Drive to location. Hold tailgate safety meeting. SIP – 0 psi. Make up BHA of 8 1/8" skirted dress off mill, 4 4 3/4" drill collars, XO and 57 joints of 2 3/8" tubing. Tag up on top of 5.5" casing with 25' in on joint # 58. Pick up 2.5" Bowen power swivel and pump truck. Star pumping at 1.0bpm with milling down on 5.5" casing. Milled 4' down on casing. Rig down pump truck and power swivel. Pull out of hole and stand back 58 joints of 2 3/8" tubing back in derrick. Break out XO and lay down 4 4 3/4" drill collars onto pipe racks. Break out skirted dress off tool. Secure well and shut down for weekend.

5-5-2012 & 5-6-2012

Shut down for weekend

5-7-2012

Drive to location. Hold tailgate safety meeting. Move in and rig up Big Bear services pick up machine and Permian Power Tongs casing crew. Make up 5.5" Logan casing patch and go in the hole with 46 joints of 5.5" 17# J-55 casing. Set down easy on top of 5.5" casing stub at 1927'. Pull up 15K over string weight on casing to latch casing seal. Nipple down crossover spools and 7 1/16" 5M hydraulic BOP. Rig down and release PPT and Big Bear. Move in WSI wellhead and set casing slips. Use cold cutter to cut off 8' of joint number 46 due to gas from 9 5/8" casing. Nipple up rebuilt 11" 5M x 7 1/16" 5M tubing head. Pressure test tubing head to 2500 psi and hold for 15 minutes. Held OK. Release WSI wellhead. Nipple up 7 1/16" 5M Hydraulic BOP and make up tubing grapple. Go in the hole with grapple, XO and 349 joints of 2 3/8" tubing from derrick. Shut down with EOT just above perforation. Secure well and shut down for night.

5-8-2012

Drive to location. Hold tailgate safety meeting. Pick up 8 joints of 2 3/8" tubing from pipe racks and go in the hole. Place fish on top of cut off joint of 2 3/8" tubing to retrieve TCP guns. Pull out of hole and stand back 358 joints back in derrick. Did not have TCP guns with fish. Break out grapple. Make up Baker Oil tools 5.5" RBP and go in the hole with tubing. Set RBP at 2975'. Pull up off of RBP with 1 stand of tubing. Rig up pump truck and pressure test RBP and casing patch to 2000 psi. Hold pressure for 15 minutes with no leakoff. Release pressure. Rig pump down from tubing Dump 100 lbs of sand down tubing and chase down with 2% KCL water to place 16' sand on top of RBP. Pull out of hole and stand back tubing in derrick. Secure well and shut down for night.

Strata Production Co.

Lee Federal #1

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5-9-2012

Drive to location. Hold tailgate safety meeting. MIRU Rotary wireline. Go in the hole and perforate 5.5" 17# casing at 2500'. Pull out of hole and inspect guns. All fired. Rig down and release Rotary wire line crew. Go in the hole with 15 joints of 2 3/8" tubing and rig up pump truck. Pump down tubing to break circulation through squeeze perms and attempt to circulate back up 9 5/8" intermediate casing. Well would not circulate. Pumped 120 barrels 2% KCL water at 3.0 bpm 200 psi. Rig pump up on 9 5/8" casing and establish injection rate of 3.0 bpm 0 psi. Pumped 75 barrels 2% KCL water. Secure well and shut down while waiting for cement crew.

5-10-2012

Drive to location. Hold tailgate safety meeting. Go in the hole with Baker oil tools cement retainer and set at 2420'. 80' above squeeze perms at 2500'. MIRU Rising Star services cement crew. Pressure up 5.5" casing to 500 psi and hold. Rig up on tubing and establish injection rate of 2.6 bpm 250 psi. Pumped 10 barrels H2O followed by 250 sacks class C cement with 2% CaCl_2 weighed at 14.8 ppg. Once cement entered perforations decrease pump rate to 1.0 bpm 110 psi. Shut down and staged cement 4 times 1 hour and achieved 500 psi squeeze. Sting out of retainer and reverse circulate tubing clear. Rig up on 9 5/8" casing and establish injection rate of 3.0 bpm 0 psi. Pumped 550 sacks class C cement with 3% CaCl_2 weighed at 14.8 ppg. Displace cement with 1 barrel fresh water. Shut well in and let cement set over night.

5-11-2012

Drive to location. Hold tailgate safety meeting. MIRU pump truck to 9 5/8" casing. Loaded with 11 barrels 2% kcl water. Once loaded were able to pump into at 3.0 bpm 0 psi. Shut down and call for cement crew. Stand by waiting for cement crew but they were not able to arrive until tomorrow. Secure well and shut down for night.

Strata Production Co.

Lee Federal #1

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5-12-2012

Drive to location. Hold tailgate safety meeting. MIRU Baker Hughes cement crew. Rig up on 9 5/8" casing. Establish injection rate of 3.0 bpm 0 psi. Decreased pump rate to 1.0 bpm and pumped cement. Pumped 180 sack of Thixotropic cement followed by 220 sack class c cement with 3% cacl₂ weighed at 14.8 ppg. Displaced with 2 barrels 2% kcl water. Shut well in and let sit until Monday morning.

5-13-2012

Shut down for day

5-14-2012

Drive to location. Hold tailgate safety meeting. Move in and rig up pump truck. Intermediate casing on slight vacuum. Pump 80 barrels 2% kcl water down 9 5/8" casing. Casing would not load. Call for cement and stand by all day for cement crew to arrive. MIRU Baker Hughes cement crew. Rig up to 9 5/8" intermediate casing and pump 3 barrels 2% kcl water. Well pressured up to 1200 psi. Bled pressure down and tried again to establish rate. Well pressure up again to 1200 psi. Pressure held for 15 minutes with no leak off. Rig down and release cement crew. Secure well and shut down for night.

5-15-2012

Drive to location. Hold tailgate safety meeting. MIRU WRH reverse unit package. Make up 4 3/4" skirted mill tooth reverse bit, 6 3 1/2" DC's, XO and ho in the hole. Tag cement retainer at 2420'. Pick up power swivel and nipple up stripper head. Break circulation and drill through retainer and start drilling cement. Drill down to 2570' and fall through cement. Circulate well clean 2 times volume. Lay down power swivel and make up TIW valve on tubing. Pressure test 5.5" 10 750 psi and hold for 15 minutes with no leak off. Bleed pressure down. Secure well and shut down for night.

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Lee Federal #1

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5-16-2012

Drive to location. Hold tailgate safety meeting. Pull out of hole and stand back 2 3/8" tubing back in the derrick. Break out XO, 6 – 3 1/2" DC and 4 3/4" skirted mill tooth reverse bit. Make up Baker oil tools retrieving head and go in the hole with tubing. Tag sand fill at 2974'. Rig up reverse pump and wash sand from above RBP to 3000'. Release RBP and pull out of the hole standing back 2 3/8" tubing in the derrick. Rig down and release WRH reverse package and Baker Oil tools. Secure well and shut down for night.

5-17-2012

Drive to location. Hold tailgate safety meeting. Go in the hole with 5.5" x 2 3/8" T-2 on/off tool, 2 3/8" 1.875" F profile arrowset packer and 353 joints 2 3/8" tubing. Place EOT at 11,001'. MIRU Rising Star services acid equipment. Break circulation to half pit and circulate well clean with 2% KCL water. Spot 1 barrel of 7.5% HCL at 11,001' with 353 joints in. Pull up the hole and laydown 4 joints of tubing onto pipe racks. Place packer at 10,885' with 349 joints in. Rig up pump truck to casing and pressure up to 500 psi. Well would not pressure up. Pump into at 3.0 bpm at 1200 psi. Move packer up the hole 2 joints and set at 10,822' with 347 joints in. Attempt to pressure up on casing again and still taking fluid at 3.0 bpm 1200 psi. Rig down and release acid crew. Pull out of hole and stand back 347 joints of tubing in the derrick. Secure well and shut down for night.

5-18-2012

Drive to location. Hold tailgate safety meeting. Go in the hole with 5.5" 13-20# x 2 3/8" RBP and 5.5" 13-20# ASI-X packer. Set RBP at 4,510'. MIRU pump truck and set packer. Start testing casing from 4,510' to 3,665' Isolated holes in casing from 4,041'-3,665'. Injection rate of 3.4 bpm – 1280 psi. Pull out of hole and stand back tubing in derrick. Secure well and shut down for night.

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Lee Federal #1

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5-19-2012

Drive to location. Hold tailgate safety meeting. Go in the hole open ended with 2 3/8" tubing and place at 4,480'. MIRU pump truck and spot 100#'s sand on top of RBP. Pull out of hole and stand back tubing in the derrick. Let sand fall remainder of weekend. Secure well and shut down for weekend.

5-20-2012

Shut down for Sunday

5-21-2012

Drive to location. Hold tailgate safety meeting. Go in the hole with 5.5" cement retainer and set at 3,566'. MIRU Par Five cementing crew. Circulate tubing capacity. Sting into cement retainer and pressure up on annulus to 500 psi. Establish injection rate 2.2 bpm 1000 psi. Pump 220 sacks of class "C" cement with 2% cacl₂ weighing 14.8 ppg. Shut down with 13 barrels of cement in tubing. Wash pumps and lines to half pit. Start hesitating cement for 1 hour in 15 minute increments. Achieved 510 psi squeeze pressure. Sting out of cement retainer and reverse circulate 26 sacks into pit. Pull out of hole and stand back 2 3/8" tubing in derrick. Rig down and release Par Five. Secure well and shut down for night.

5-22-2012

Shut down for day to let cement squeeze cure.

5-23-2012

Drive to location. Hold tailgate safety meeting. SIP – 0 psi. Stand by waiting for WRH reverse unit package to arrive on location. Unit arrived after noon. MIRU unit, Make up and go in the hole with 4 3/4" skirted mill tooth reverse bit, 6 – 3 1/2" DC, XO and 45 joints of 2 3/8" tubing. Shut down with bit just above cement retainer. Secure well and shut down for night.

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Lee Federal #1

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5-24-2012

Drive to location. Hold tailgate safety meeting. SIP – 0 psi. Continue to go in the hole with 2 3/8" tubing. Tag cement top at 3554' with 108 joints in. Pick up 2.5" Bowen power swivel and nipple up stripper head. Break circulation and drill cement from 3554' to cement retainer at 3,566'. Drill on retainer for 3 hours and could never get through. Pull out of hole and stand back tubing and DC's back in derrick. Check bit and found numerous teeth broken off. Stand by waiting for new bit to arrive on location for 2 hours. Bit arrived and go back in the hole with DC's and 2 3/8" tubing. Pick swivel up and break circulation. Continue drilling on retainer for 1.5 hours and finally drilled through it. Drilled 20' of cement past retainer. Pick up 5' and circulate well clean. Secure well and shut down for night.

5-25-2012

Drive to location. Hold tailgate safety meeting. SIP – 0 psi. Break circulation and continue drilling cement from 3586' down to 4,010' with 124 total joints of tubing in the hole. Circulate well clean. Lay down power swivel and make up 2 3/8" TIW valve. Pressure test 5.5" casing to 1000 psi and hold for 30 minutes. No leak off. Release pressure. Secure well and shut down for holiday weekend.

5-26,27,28-2012

Shut down for Memorial weekend

5-29-2012

Drive to location. Hold tailgate safety meeting. SIP – 0 psi. Pull out of hole and stand back 124 joints 2 3/8" tubing back in derrick. Break out and lay down XO, 6- 3 1/2" DC and 4 3/4" skirted mill tooth reverse bit. Make up Kenco overshot and go in the hole with 144 joints 2 3/8" tubing. Rig up pump to casing and wash down 2 more joints of 2 3/8" tubing. Latch onto RBP at 4510' with 146 joints total in the hole. Circulate well clean. Pull out of hole and stand back 146 joints tubing back in derrick. Break out overshot and 5.5" RBP. Make up and go in the hole with 5.5" Arrowset packer and 353 joints of 2 3/8" tubing. End of packer is at 11,001'. Secure well and shut down for night.

Strata Production Co.

Lee Federal #1

5-30-2012

Drive to location. Hold tailgate safety meeting. Move in and rig up Rising Star acid pumping equipment and data van. Rig up pump to 2 3/8" tubing and circulate well clean with 245 barrels of 2% KCL water. Spot 2 barrels of 7 1/2% HCL across perforations at 11,005' – 11,011'. Pull out of hole and lay down 4 joints of tubing onto pipe racks. Set 5.5" AS1-X packer at 10,885'. Rig up pump to casing and pressure test backside to 1000 psi. Hold pressure for 10 minutes with no leak off. Bleed pressure down. Rig down rig floor and nipple down 7 1/16" 5M hydraulic BOP. Nipple up wellhead and rig up Guardian wellhead isolation tool. Pressure up casing to 1000 psi and monitor during acid job. Pressure test treating lines to 7000 psi. OK. Release pressure and hold pre-job safety meeting. Establish rate into perforations at 2.5 bpm – 3510 psi. Increase rate to 4.0 bpm -4910 psi. Held rate and pumped 2000 gallons 7 1/2% HCL and drop 25 7/8" ballsealers. Did not see any ball action. Average rate 4.0 bpm – 4825 psi. ISIP – 2680 psi, 5 minute – 2550 psi, 10 minute – 2440psi, 15 minute – 2410 psi. Rig down and release Rising Star equipment and Guardian well head tools. Open well to half pit with 1100 psi on tubing. Well flowed for 25 minutes – 30 barrels load water back and then died. Secure well and shut down for night. Plan to swab load back 5-31-2012. Total load to recover – 132 barrels

5-31-2012

Drive to location. Hold tailgate safety meeting. SIP – 0 psi on slight vacuum. Rig up swab and GIH. IFL – 3700', FFL 7350'. Made a total of 22 swab runs making 133 barrels load water and trace of acid. After swab run # 12 had slight trace of oil. After swab run # 15 started getting slight blow of gas lasting 2-3 minutes then died off. Secure well and shut down for night. Will continue to swab 6-1-2012.

6-1-2012

Drive to location. Hold tailgate safety meeting. SITP – 1000 psi, Open well to half pit and let it blow down. Well blew gas for 15 minutes then died. Pick up swab and go in the hole. IFL – 5100', FFL 10,880'. Made a total of 18 swab runs. Tagged seat nipple at 10,880' on run 17-18 but did not return any fluid. Swabbed back a total load of 48 barrels of formation fluid. Well had a slight blow of gas after swab run 12. Secure well and shut down for weekend.

Written Order of the Authorized Officer

Strata Production Company

Lee Federal – 01

API 30-015-24209

T20S-R28E, Sec 25

July 22, 2013

1. The subsequent report for this well of 10/27/1995 describes adding perforations, possibly from 11004-10 in the Atoka formation. No mention was made of isolating the Morrow perms at 11452-534. No downhole comingling permit has been located. Submit the perforation depth and an explanation of this situation in a subsequent sundry or sundries.
2. The well is in a targeted Capitan Reef area. Casing integrity through the Reef is to be maintained.
3. Submit a (Sundry Form 3160-5) notice of intent for approval to reenter the well and:
 - Perform a BLM PET witnessed (charted) casing integrity test of 500psig from 10,900. Pressure leakoff may require correction for approval. Include a copy of the chart in the subsequent sundry.
 - Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 10,500 or below to surface. The CBL may be attached to a pswartz@blm.gov email.
 - Provide BLM with an electronic copy (Adobe Acrobat Document) of a casing inspection log from 10,500 or below to surface. The log may be attached to a pswartz@blm.gov email.
 - Provide detailed well bore schematic.
4. **Submit economic documentation to prove the well is producing in paying quantities by September 22, 2013.**

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 ©(1) Information collection.

§ 3162.4-1 © Well records and reports.

JAM/PRS 072213