

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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

RECEIVED

MAY 12 2014

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

Lease Serial No.

NMNM 048344

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

WILLIAMS A FEDERAL #2Q

3

30-015-32459

10. Field and Pool, or Exploratory Area

Red Lake, Queen-Grayburg-San Andres (51300)

Artesia, Glorieta-Yeso (96830)

AND

Eddy County, New Mexico

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

LRE OPERATING, LLC.

3a. Address c/o Mike Pippin LLC

3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)

505-327-4573

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

1800' FSL & 1650' FWL Unit K

Sec. 29, T17S, R28E

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 checked="" type="checkbox"/> Other DHC Application
	<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 Operations (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 shall 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 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.)

LRE requests administrative approval to downhole commingle the existing (SI) Artesia, Glorieta-Yeso (96830) and the currently producing Red Lake, Queen-Grayburg-San Andres (51300). Both intervals have common ownership (Category 1), we have not experienced any significant cross flows, & all the fluids are compatible. Downhole commingling will maximize the ultimate recovery of oil & gas, eliminate redundant surface equipment, & maximize productivity. Order DHC-4633 has been obtained from the State. The DHC will be accomplished by drilling out the CBP @ 3280'. See the attached supporting data. The attached calculations indicate that the pool allocations should be:

	UPPER ZONE (SA)	LOWER ZONE (YESO)
OIL:	92%	8%
GAS:	96%	4%
WATER:	97%	3%

**SUBJECT TO LIKE  
APPROVAL BY STATE**

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

Date

February 25, 2014

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

MAY - 8 2014

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

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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.

LRE OPERATING, LLC  
**WILLIAMS A FEDERAL #2Q**  
 Artesia; Glorieta-Yeso & Red Lake, Queen-Grayburg-San Andres  
 K Section 29 T17S R28E  
 2/25/2014  
 API#: 30-015-32459

## Commingle Allocation Calculations

On 12/26/04, the Yeso (lower zone) was completed as a new well. On 10/8/13, the well was recompleted into the San Andres (upper zone) with the lower zone shut-in below a CBP @ 3280'. The last Yeso production test on 2/14/13 before the recompletion was 4 BOPD, 8 MCF/D, & 3 BWPD. The San Andres alone after the recompletion last tested 2/25/14 for 47 BOPD, 178 MCF/D, & 103 BWPD.

	Upper Zone (SA)	+	Lower Zone (YESO)	=	Total
Total Oil (bbls/d)	47	+	4	=	51
Total Gas (mcf/d)	178	+	8	=	186
Total Water (bbls)	103		3	=	106

### OIL

Upper Zone (SA) = 47 BOPD  
 Total oil = 85 BOPD  
 $\% \text{ Upper Zone} = \frac{47}{51} = \underline{92\%}$

Lower Zone (Yeso) = 4 BOPD  
 $\% \text{ Lower Zone} = \frac{4}{51} = \underline{8\%}$

### GAS

Upper Zone (SA) = 178 mcf/d  
 Total gas = 196 mcf/d  
 $\% \text{ Upper Zone} = \frac{178}{186} = \underline{96\%}$

Lower Zone (Yeso) = 8 mcf/d  
 $\% \text{ Lower Zone} = \frac{8}{186} = \underline{4\%}$

### WATER

Upper Zone (SA) = 103 BWPD  
 Total gas = 203 BWPD  
 $\% \text{ Upper Zone} = \frac{103}{106} = \underline{97\%}$

Lower Zone (Yeso) = 3 BWPD  
 $\% \text{ Lower Zone} = \frac{3}{106} = \underline{3\%}$

## DOWNHOLE COMMINGLING WORKSHEET

Operator: LRE OPERATING, LLC
Lease/Well Name/API#/Location: NMNM-048344, WILLIAMS A FEDERAL #2Q, 30-015-32459, K SEC 29 T17S R28E
Date: 2/25/2014

Data	Bottom Formation	Upper Formation	Estimated Combined Production Data
Pool Name:	Artesia, G-Y	Red Lake, Q-G-SA	(See attached weighted average calculations)
Pool Code:	96830	51300	
State Form C-102 w/dedicated Acres provided:	Yes 40 acres	Yes 40 acres	
Formation Name:	Yeso	San Andres	
Top & Bottom of Pay Section (Perfed or OH interval):	3396'-3510' Perfed	1854'-3040 Perfed	
Method of Production:	Plan to Pump	Pumping	
Bottom Hole Pressure:	851 psi	690 psi	
Reservoir Drive Mechanism:	Solution gas drive	Solution gas drive	
Oil Gravity &/or BTU:	35.8 / 1295*	37.1 / 1382	37.0 / 1378
Average Sulfur Content (Wt%):	1.003*	1.0116	1.0109
Oil Sample Analysis Provided:	Yes*	Yes	
Gas Analysis Provided:	Yes*	Yes	
Produce Water Analysis Provided:	Yes*	Yes	
H2S Present:	9500 ppm*	3000 ppm	3280 ppm
Producing, Shut-in or New Zone:	SI	Pumping	
Date & Oil/Gas/Water rates of Last Production (new zones or no production history Operator shall attach production estimate & supporting data):	2/14/2013	2/25/2014	Estimated Rates: 60 BOPD 200 MCF/D 120 BWPD
	4 BOPD	47 BOPD	
	8 MCF/D	178 MCF/D	
	3 BWPD	103 BWPD	
Average decline % (provide back up data):	OIL = 9.76%*	OIL = 9.51%*	OIL = 8.59%*
	GAS = 1.57%*	GAS = 5.89%*	
Fixed Allocation %: (See attached calculations)	OIL = 8%	OIL = 92%	
	GAS = 4%	GAS = 96%	
	WTR = 3%	WTR = 97%	

Remarks: *See attached back-up data & "Williams A & B Field Study of Yeso & San Andres". The State DHC order is DHC-4633.
Operator Signature:
Date: 2/25/2014

### Attached Supporting Documents

State Form C-102 w/dedicated Acres Provided  
 Oil Sample Analysis Provided (Must be Current)  
 Gas Analysis provided (Must be Current)  
 Produce Water Analysis provided (Must be Current)  
 Any additional supporting data (i.e. offset well production & decline curves etc.)

\* FROM WILLIAMS A & B FIELD STUDY

LRE OPERATING, LLC  
**WILLIAMS A FEDERAL #2Q**  
Artesia; Glorieta-Yeso & Red Lake, Queen-Grayburg-San Andres  
K Section 29 T17S R28E  
2/25/2014 – Mike Pippin  
API#: 30-015-32459

## WEIGHTED AVERAGES

### OIL GRAVITY:

Bottom zone (Yeso) = 4 BOPD, 35.8

Upper zone (SA) = 47 BOPD, 37.1

$$(4 \times 35.8) + (47 \times 37.1) = 143 + 1744 = 1887$$

$$1887 / (4 + 47) = \underline{\mathbf{37.0 \text{ GRAVITY OIL}}}$$

### GAS BTU:

Bottom zone (Yeso) = 8 MCF/D, 1295 BTU

Upper zone (SA) = 178 MCF/D, ~~1882~~ BTU *1382*

$$(8 \times 1295) + (178 \times 1382) = 10,360 + 245,996 = 256,356$$

$$256,356 / (8 + 178) = \underline{\mathbf{1378 \text{ BTU GAS}}}$$

### H2S in GAS:

Bottom zone (Yeso) = 8 MCF/D, 9,500 ppm

Upper zone (SA) = 178 MCF/D, 3000 ppm

$$(8 \times 9,500) + (178 \times 3000) = 76,000 + 534,000 = 610,000$$

$$610,000 / (8 + 178) = \underline{\mathbf{3280 \text{ ppm H2S}}}$$

### Sulfur in Oil:

Bottom zone (Yeso) = 4 BOPD, 1.003

Upper zone (SA) = 47 BOPD, 1.0116

$$(4 \times 1.003) + (47 \times 1.0116) = 4.012 + 47.5452 = 51.5572$$

$$51.5572 / (4 + 47) = \underline{\mathbf{1.0109 \text{ Wt\% Sulfur}}}$$



**LIME ROCK  
RESOURCES**

Spud  
11/26/04

**LRE Operating, LLC  
Proposed San Andres 4 Stage  
Recompletion  
AFE # R13016**

**Williams A Federal #2 Q  
Sec 29-17S-28E (K)  
1800' FSL, 1650' FWL  
Elevation - 3,683'  
API #: 30-015-32459  
Eddy County, NM**

TOC @ +/- 10' (check visually)

- TOH w/ rods, pump: N/U BOP.
- POOH, run bit and scraper, Test CSG w/ PKR and RBP, LD tubing.
- MIRU W/LU and perforate, acidize, and frac the San Andres in four stages as described below.
- PU 2-7/8" tubing and drill CBP's and clean out to PSTD 3509'.
- TIH w/ tubing (TAC at 1750', SN at 3350', 4' slotted sub, 2 jt MA w BP at ~3415')
- TIH w/pump and rods and turn to production.
- Produce the San Andres and Yeso with an approved commingling permit.

8-5/8", 24#, J-55, ST&C Casing @ 458'.

2-7/8", 6.5#, J-55 Tubing, TAC at 1750', SN at 3350',  
4' slotted sub, 2 jt MA w BP at ~ 3415'

Drill all CBP's  
and  
commingle  
Yeso & San  
Andres after 4.  
stage San  
Andres  
Recompletion

CBP @2150'

CBP @2465'

CBP @2700'

CBP @3280'

**Stage 4 San Andres:** 1854'-2113', 1 spf, 14 holes  
2000 g 15% HCL acid and 21 bio balls, 37,000 g X-link 20# gel, 45,500  
lbs 16/30 Brady, 13,500 lbs 16/30 resin coated sand, staged 1-4.5 ppg,  
at 65 BPM

**Stage 3 San Andres:** 2196'-2451', 1 spf, 22 holes  
3000 g 15% HCL acid and 33 bio balls, 50,000 g X-link 20# gel, 65,500  
lbs 16/30 Brady, 18,000 lbs 16/30 resin coated sand, staged 1-4.5 ppg,  
at 65 BPM

**Stage 2 San Andres:** 2480'-2651', 1 spf, 17 holes  
2000 g 15% HCL acid and 26 bio balls, 42,000 g X-link 20# gel, 54,500  
lbs 16/30 Brady, 18,000 lbs 16/30 resin coated sand, staged 1-4.5 ppg,  
at 65 BPM

**Stage 1 San Andres:** 2740'-3040', 1 spf, 23 holes  
3000 g 15% HCL acid and 35 bio balls, 54,000 g X-link 20# gel, 70,500  
lbs 16/30 Brady, 18,000 lbs 16/30 resin coated sand, staged 1-4.5 ppg,  
at 65 BPM

**Yeso Perfs:** 3,396' - 98'; 3,402'; 04'; 08' - 12'; 17'; 39'  
- 41'; 55'; 57'; 74'; 77'; 79'; 83' - 84'; 87'; 90' - 92' &  
96' - 97' (1 SPF, 27 holes)

**Stim Info:** 3000 gal 15% NEFE; 20k gal gelled 20%  
HCl, 30k gal 40# gel, 3000 gal. (12/26/04)

PSTD @ 3,509'

5-1/2", 17#, J-55, ST&C Casing @ 3,560'. 350 sks lead &  
400 sks tail. Circulate 136 sx to surface. (12/04/2004)

TD @ 3,570'

**GEOLOGY**

Zone	Top
Yates	506'
7 Rivers	792'
Queen	1,265'
Grayburg	1,604'
San Andres	1,886'
Glorietta	3,272'
Yeso	3,367'

**SURVEYS**

Degrees	Depth
1/2°	502'
3/4°	1,018'
3/4°	1,506'
1°	1,995'
3/4°	2,489'
1/2°	3,006'

District I  
1623 N. French Drive, Hobbs, NM 88240

District II  
1361 W. Grand Avenue, Artesia, NM 88210

District III  
1640 E. Grand Street, Aztec, NM 87410

District IV  
1230 S. St. Francis Dr., Santa Fe, NM 87503

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

LRE OPERATING, LLC c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401  
Operator, Address

WILLIAMS A FEDERAL #20 K SEC. 29 T17S R28E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 281994 Property Code 309877 API No. 30-015-32459 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	RED LAKE; Queen-Grayburg-San Andres		ARTESIA; Glorieta-Yeso
Pool Code	51300		96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1854'-3041'		3396'-3497'
Method of Production (Flowing or Artificial Lift)	Plan to Pump		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	690 psi		851 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	34.8		38.32
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: RATES:	Date: Rates:	Date: 2/14/13 Rates: 4 BOPD 8 MCF/D
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % %	Oil Gas % %	Oil Gas

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCED Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

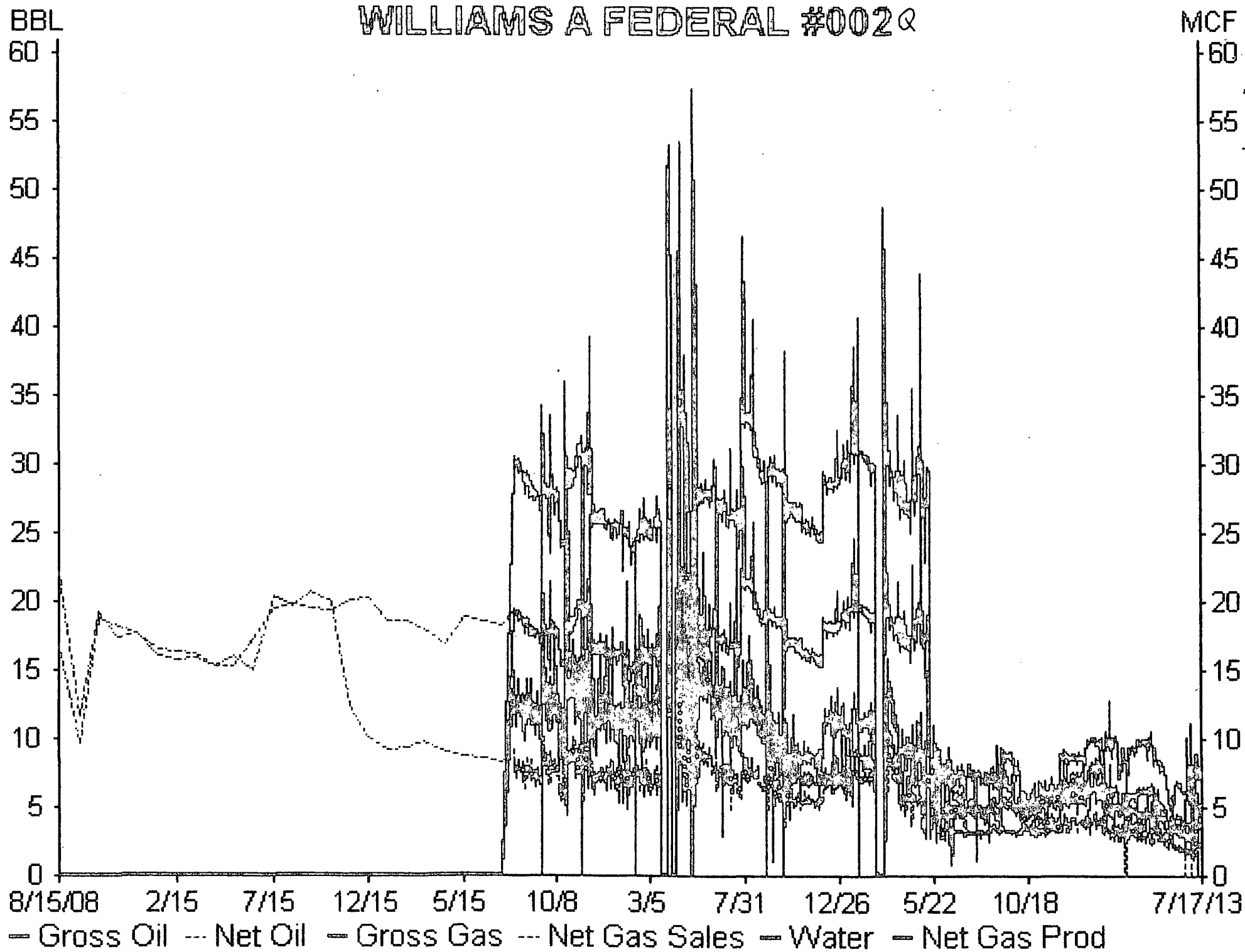
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE July 18, 2013

TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. ( 505 ) 327-4573

E-MAIL ADDRESS mike@pippinllc.com

# WILLIAMS A FEDERAL #002Q



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1800 Rio Bravo Blvd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources  
OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

RECEIVED

APR 17 2000

Form C-102  
Revised March 17, 1999

BY:

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Artesia, GL-YE-	Pool Name
26370		96830		
Property Code	Property Name		Well Number	
020451	WILLIAMS A. FEDERAL		2 G	
OGRID No.	Operator Name		Elevation	
	SDX RESOURCES, INC.		3683.	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
- K	29	17-S	28-E		1800	SOUTH	1650	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>Bonnie Atwater</i></p> <p>Printed Name: Bonnie Atwater</p> <p>Title: Regulatory Tech</p> <p>Date: 4/28/00</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was placed from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>APR 17 2000</p> <p>NEW MEXICO</p> <p>5412</p> <p>REGISTERED PROFESSIONAL ENGINEER</p> <p>LAND SURVEYOR</p> <p>APR 17 2000</p> <p>APPROVED BY: <i>[Signature]</i></p> <p>DATE: 4/28/00</p> <p>NEW MEXICO</p> <p>5412</p> <p>REGISTERED PROFESSIONAL ENGINEER</p> <p>LAND SURVEYOR</p> <p>APR 17 2000</p> <p>APPROVED BY: <i>[Signature]</i></p> <p>DATE: 4/28/00</p> <p>NEW MEXICO</p> <p>5412</p> <p>REGISTERED PROFESSIONAL ENGINEER</p> <p>LAND SURVEYOR</p>
	<p>19</p>
	<p>20</p>

Original on file



District I  
1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

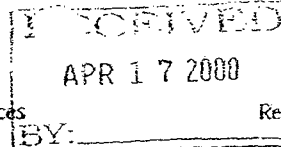
1800 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505



Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		51300	Red Lake QN-GB-SA
Property Code	Property Name		Well Number
	WILLIAMS FEDERAL		2 Q
GRID No.	Operator Name		Elevation
020451	SDX RESOURCES, INC.		3683

#### 10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	29	17-S	28-E		1800	SOUTH	1650	WEST	EDDY

#### 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or In/In		Commodation Code		Order No.			
40									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>15 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.			
	Signature: <u>Bonnie Atwater</u>			
	Printed Name: Bonnie Atwater			
	Title: Regulatory Tech Date: 4/28/00			
	<b>16 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.			
	APR 17 2000 NEW MEXICO Date of Survey: _____ Signature and Seal of Professional Surveyor: _____			
	NM REAPS NO. 5412			

Original on file

## **Conditions of Approval, (Commingle SA & Yeso)**

**LRE Operating, LLC**  
**Williams A -02Q**  
**API 3001532459, T17S-R28E, Sec 29**  
May 08, 2014

1. The "Williams A & B Field Study of the Yeso & San Andres" dated 11/23/2013 reviewed and Approved by EGF on 01/27/2014 has been accepted by BLM CFO as justification for a downhole pool comingling project on the Williams A and Williams B federal leases. The Yeso is currently capable of production in paying quantities and is to be produced until that formation's economic limits are achieved. This being said, the combined formations should increase field production.
2. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when opening another pay zone.
3. A subsequent sundry detailing work done and a completion report for the San Andres and Yeso formations is necessary.
4. Surface disturbance beyond the originally approved pad must have prior approval.
5. Closed loop system required.
6. All waste (i.e. drilling fluids, 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.
7. Functional H<sub>2</sub>S monitoring equipment shall be on location.
8. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.

EF/PS

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](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 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.