(April 2004)

OCD-ARTESIA 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 to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FOR:	M A	PPR	OV.	ΈD
OMB	No	100	4-0	137
Expires	s Ma	arch	31,	200

5 Lease Serial No O69641			
I C 080/45 1	5	Lease Serial No	069641

6 If Indian, Allottee or Tube Name

SUBMIT IN TRIPLICATE – Other instructions on reverse side				7 If Unit or CA/Agreement, Name and/or No
1 Type of Well		SFP 2 4 2007		8910087730 8 Well Name and No
Oil Well Gas Well Name of Operator	Other	C	CD-ARTESIA	W. Henshaw Premier Ut Tr 6 #7
Nordstrand Engineering In	ıc	_		9 API Well No
3a Address		3b Phone No (include area co	de)	30-015-03884
3229 D'Amico St. # 200, Houston Tx 77019 713-520-1555				10 Field and Pool, or Exploratory Area
4 Location of Well (Footage, Sec., T, R, M, or Survey Description)			West Henshaw Grayburg	
330 FNL & 2310 FWL			11 County or Parish, State	
Sec. 10 ©, T16S, R30E			Eddy	
12. CHECK AI	PPROPRIATE BOX	K(ES) TO INDICATE NA	TURE OF NOTICE, REPO	ORT, OR OTHER DATA
TYPE OF SUBMISSION			TYPE OF ACTION	
	Acidize	Deepen	Production (Start/Resume)	Water Shut-Off
Notice of Intent	Alter Casing	Fracture Treat	Reclamantion	Well Integrity
Subsequent Report	Casing Repair	New Construction	Recomplete	Other
	Change Plans	Plug and Abandon	Temporarily Abandon	
Final Abandonment Notice	Convert to Injection	n 🔲 Plug Back	Water Disposal	
If the proposal is to deepen direct Attach the Bond under which the	tionally or recomplete is work will be performed	horizontally, give subsurface lo ed or provide the Bond No	ocations and measured and true von file with BLM/BIA Required	proposed work and approximate duration thereof retrical depths of all pertinent markers and zones subsequent reports shall be filed within 30 days new interval, a Form 3160-4 shall be filed once

- determined that the site is ready for final inspection) 1. MIRU BCM plugging company
- 2. POH w/ tbg and packer
- 3. Set CIBP @ 2275 and cap w/3 sx cement. circulate hole w/ mud laiden fluid.
- 4. Perf csg. @ 2200. Set pkr. @ 2000, Sqz 50 sx. cement. WOC & tag.
- 5. Perf. csg. @ 1492. Set pkr. @ 1300, Sqz. 50 sx. cement. WOC & Tag.
- 6. Perf. csg. @ 600. Set pkr. @ 400. Sqz. 50 sx. cement. WOC & tag.
 7. Set surface plug. Cut off wellhead. Install dry hole marker. May Be Required To Perforate & Squeezee 60'

 If Lement Does Not Circulate

testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamantion, have been completed, and the operator has

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14 I hereby certify that the foregoing is true and correct)	
Name (Printed/Typed)	
Ben Montgomery	tle Agent
Signature San Mat 7 D	ate 9/19/07
THIS SPACE FOR FEDERAL	OR STATE OFFICE USE
Approved by /S/ DAVID R. GLASS	PETROLEUM ENGINEER Date SEP 2 0 2007
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle	the Office
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 ki States any false, fictitious or fraudulent statements or representations as to any matter within its J	nowingly and willfully to the Alehage Epic Orgunited purisdiction
	CONDITIONS OF APPROVAL

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220-6292 (505) 234-5972

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Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

- 1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon. If you are unable to plug the well by the 90th day provide the appropriate BLM office, prior to the 90th day, with the reason for not meeting the deadline and a date when the appropriate BLM office can expect the well to be plugged. Failure to do so will result in enforcement action.
- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call (505) 627-0272, in Eddy County call (505) 361-2822; for wells in Lea County call (505) 393-3612.
- 3. <u>Blowout Preventers:</u> A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement:</u> Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

- 6. <u>Dry Hole Marker:</u> All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).
- 7. <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. <u>Show date well was plugged.</u>

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval shall be developed and furnished to you.

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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene St. Carlsbad, NM 88220

Interim Reclamation Procedures for Permanently Abandoned Federal Wells

- 1. After Subsequent Report of Abandonment, Form 3160-5, is filed and approved by the BLM the surface protection specialist (SPS) will conduct a surface inspection of the abandonment. The SPS will establish the reclamation requirements the operator will need to complete. **DO NOT START RECLAMATION UNTIL THE SPS HAS INSPECTED THE LOCATION.**
- 2. The reclamation requirements will be given to an environmental protection specialist (EPS). The EPS will issue the operator a Notice of Written Order outlining the reclamation requirements. **DO NOT START**RECLAMATION UNTIL A NOTICE OF WRITTEN ORDER FOR RECLAMATION HAS BEEN RECEIVED. The EPS will be responsible for all further abandonment work and inspections.
- 3. Notification: CONTACT THE EPS 3 DAYS PRIOR TO RECLAMATION WORK. This notification gives the EPS an opportunity to discuss by phone or on location the reclamation requirements, any special concerns and the timeframes. It also allows the EPS an opportunity to witness various aspects of the reclamation work to determine if an adequate seedbed has been prepared and all reclamation requirements have been completed. CONTACT THE EPS AT LEAST 3 DAYS PRIOR TO SEEDING. This allows the EPS to witness the seeding operation to make sure the location is seeded properly and with the appropriate seed mixture. DO NOT START RECLAMATION UNTIL THE EPS HAS BEEN NOTIFIED.
- 4. After reclamation work has been completed, submit the I & E copy of the Notice of Written Order to the BLM. It will need to be signed by a company representative and dated. Also submit one original and five copies of the Final Abandonment Notice, Form 3160-5. The report should state that all reclamation work has been completed, and the location is ready for a final abandonment inspection.
- 5. The BLM will continue to monitor the location to ensure the location vegetates successfully, and salts from the reserve pit do not leach to the surface. The location will be monitored until such time as vegetation (20%) is established evenly across the location (including the reserve pit and access road). Once EPS determines that vegetation (20%) is evenly spread across the location, final abandonment will be authorized.

If there are any questions please feel free to contact any of the following:

Jim Amos Supervisory Environmental Protection Specialist (505) 234-5909

Barry Hunt
Surface Protection Specialist
(505) 234-5965

Todd Suter Surface Protection Specialist (505) 234-5987

Trishia Bad Bear Natural Resource Specialist – Lea County (505) 393-3612 Cody Layton

Natural Resource Specialist

(505) 234-5959

Paul Evans

Environmental Protection Specialist

(505) 234-5977

Terry Gregston Environmental Protection Specialist (505) 234-5958

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10/18/2006