

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM 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

AUG 14 2008

## 2. Name of Operator

Fairway Resources Operating, LLC

OCD-ARTESIA

## 3a. Address

538 Silicon Drive, Suite 101  
Southlake, TX 76092

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

817-416-1946 FAX 817-416-1949

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

990' FSL and 2310' FEL  
Sec 35, T-17-S, R-27-E

## 5. Lease Serial No.

NMLC028755A

## 6. If Indian, Allottee or Tribe Name

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

NM 109695X

## 8. Well Name and No.

South Red Lake II Unit #26

## 9. API Well No.

30-015-00643

## 10. Field and Pool or Exploratory Area

Red Lake - QN,GB,SA

## 11. Country 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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

## TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

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.)

## Well Data:

Spud - 10/19/1927, TD 1624'

10" casing set at 453', cement volume unknown

8 5/8" casing set at 948', cemented with 50 sacks

7" casing set run from surface to unknown depth

June 2008 - set 7" CIBP at 1460', dump bailed 35' cement on top

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

## Proposal Request:

1. TIH with tubing and tag cement plug on top of CIBP at 1460'.
2. Circulate abandonment mud.
3. Perforate casing at 453' TIH with tubing and spot 100' cement plug (25 sack minimum) at 403' - 503'.
4. Tag plug and circulate abandonment mud.
5. Perforate casing at 100' and pump cement plug (25 sack minimum) with top of cement at surface.
6. Install dry hole marker.
7. Clean and remediate surface location.

APPROVED

AUG 12 2008

JAMES A. AMOS  
SUPERVISOR-EPS

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

Kenneth Pearce

Title Engineer

Signature

Date 07/31/2008

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

AUG 14 2008

## Approved by

Gerry Guye, Deputy Field Inspector  
NMOC District II ARTESIA

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

Office

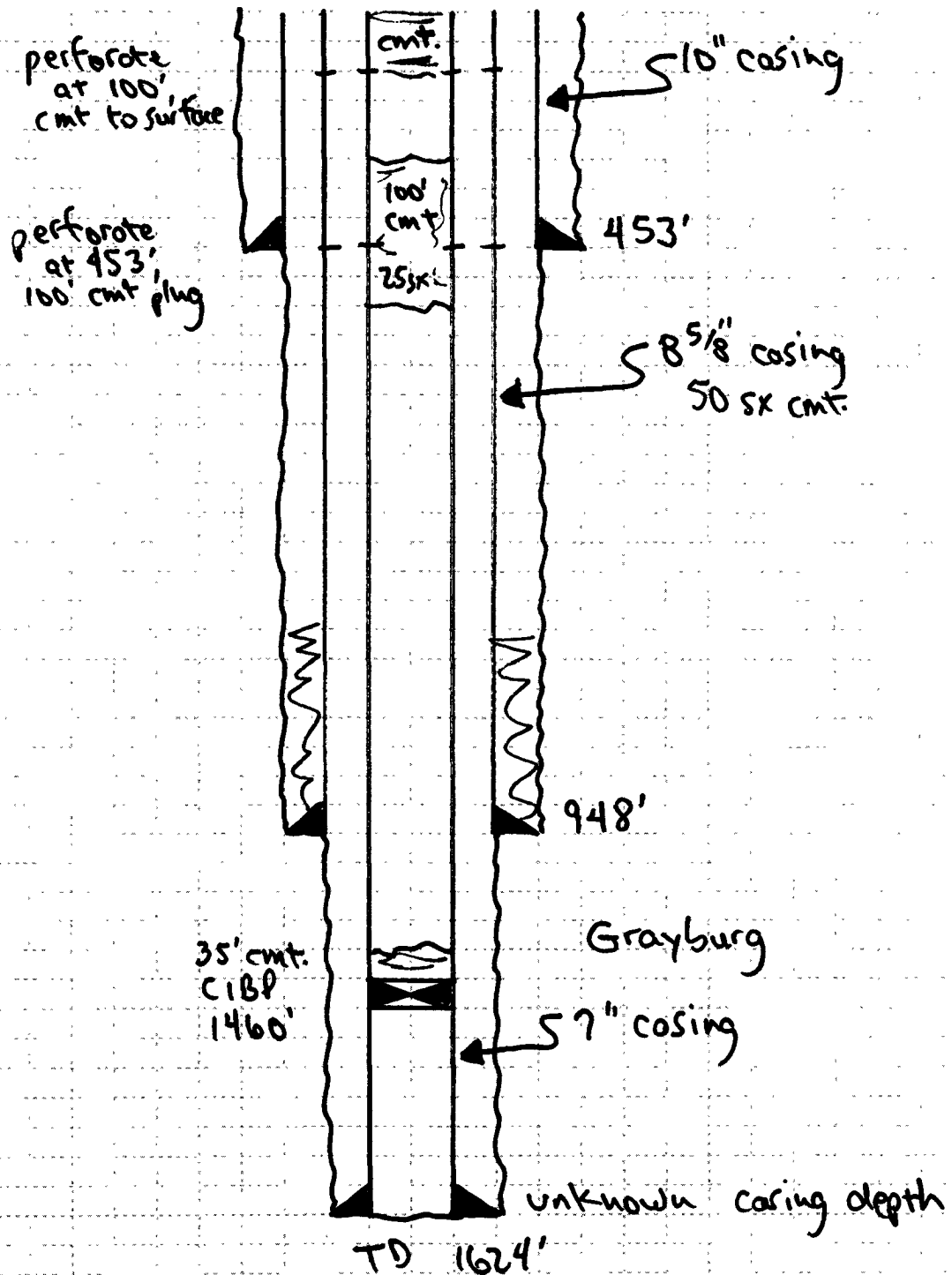
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Fairway Resources Operating, LLC  
South Red Lake II Grayburg Unit #26

API 30-015-00643  
990' FSL and 2,310' FEL  
Sec.35, T17S, R27E  
Eddy County, NM

Proposed Abandonment



Fairway Resources Operating, LLC  
NMLC028755A; South Red Lake II Unit.# 26  
990 FSL & 2310 FEL Sec. 35, T17S-R27E  
Eddy County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

1. TIH with tubing and tag cement plug on top of CIBP @ 1460' (should be 1425' +/-).
2. Circulate minimum of 9# abandonment mud.
3. Perforate 6-5/8" casing above the tag and attempt to squeeze with adequate cement to fill 100' in and out of the 6-5/8" casing. WOC and tag no lower than 100' above the perforation.
4. Perforate the 6-5/8" casing @ 998' and attempt to squeeze with adequate cement to fill 100' in and out of the 6-5/8" casing. WOC and tag no lower than 898'.
5. Perforate the 6-5/8" and 8-1/4" casing @ 503' and attempt to squeeze with adequate cement to fill 100' in and out of both casings. WOC and tag no lower than 403'.
6. Perforate the 6-5/8", 8-1/4" and 10" casings @ 100' and circulate cement in and out of all casings.
7. Cut off well head 3' below ground level and top off all annulus with cement.

See attached standard COA's.

James A. Amos  
505-234-5909

8/12/08

**BUREAU OF LAND MANAGEMENT**  
**Carlsbad Field Office**  
**620 East Greene Street**  
**Carlsbad, New Mexico 88220**  
**575-234-5972**

**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 **ninety (90)** days from the approval date of this Notice of Intent to Abandon.

**If you are unable to plug the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. **Notification:** 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 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** 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 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** 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 are 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 a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks 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 Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** 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 ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** 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. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

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