

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTDEC 16 2008
OCD-ARTESIAFORM APPROVED
OMB NO. 1004-0135
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 reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC028755A
2. Name of Operator FAIRWAY RESOURCES		6. If Indian, Allottee or Tribe Name
Contact: STAR HASSE E-Mail: shasse@fairwayresources.com		7. If Unit or CA/Agreement, Name and/or No. NMNM109695X
3a. Address 538 SILICON DRIVE STE 101 SOUTHLAKE, TX 76092	3b. Phone No. (include area code) Ph: 817-416-1946 Ext: 223 Fx: 817-416-1949	8. Well Name and No. S RED LAKE II UNIT 30
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 35 T17S R27E SWSE 330FSL 2310FEL		9. API Well No. 30-015-01222-00-S1
		10. Field and Pool, or Exploratory RED LAKE
		11. County or Parish, and State EDDY COUNTY, NM

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 checked="" 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 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.)

Spud 2/14/1927
10" casing at 435'.
8 1/4" casing at 949'.
6 5/8" casing at unknown depth.
TD 1638'.
Current status - SI oil well.

Proposed P&A:
Tag plug.
Lay down rods and pump, pull tbg,
RIH w/junk basket to determine depth of 6 5/8" csg. TOH.
Set CIBP 50' above end of 6 5/8" csg w/35' of cement on top of plug.

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #65541 verified by the BLM Well Information System For FAIRWAY RESOURCES, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 12/12/2008 (09KMS0497SE)	
Name (Printed/Typed) MATT EAGLESTON	Title
Signature (Electronic Submission)	Date 12/12/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>James R. Cross</u> (BLM Approver Not Specified)	Title <u>SEAS</u>	Date 12/14/2008
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 Carlsbad

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.

Accepted for record
NMOC

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #65541 that would not fit on the form

32. Additional remarks, continued

Circulate 9# abandonment mud.

Perforate 6 5/8" csg at 999'. Squeeze w/40 sxs cement.

Tag plug no lower than 899'.

Perforate 6 5/8" csg at 485', squeeze with 40 sxs cement (circulate cement to surface in annulus if possible).

Tag plug no lower than 385'.

Perforate 6 5/8" csg at 100' and circ cement to surface inside and outside of casing.

Cut off wellhead, fill with cement.

Weld on dry hole marker.

Clean and remediate location.

**Accepted for record
NMOCD**

Fairway Resources
NMLC028755A: South Red Lake II Unit 30
330' FSL & 2310' FEL Sec. 35, T17S-R27E
Eddy County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

1. Perforate the 6-5/8" casing @ 1550', squeeze with adequate cmt to fill 100' in/out of 6-5/8" casing. WOC and tag no lower than 1450' (covers the shoe and top of the Premier formation).
2. Perforate the 6-5/8" casing @ 1000', squeeze with adequate cmt to fill 100' in/out of 6-5/8" casing. WOC and tag no lower than 900' (covers the 8-1/4" shoe).
3. Perforate the 6-5/8" and 8-1/4" casings @ 766', squeeze with adequate cmt to fill 100' in/out of both casings. WOC and tag no lower than 766' (covers the top of all potential producible formations).
4. Perforate the 6-5/8" and 8-1/4" casing @ 500', squeeze with adequate cmt to fill 100' in/out of both casings. WOC and tag no lower than 400' Covers the 10" casing shoe, and adds water protection).
5. Perforate all three casings @ 100' and squeeze with adequate cmt to circulate all to surface.
6. Cut off well head and top off annulus as needed.

See attached standard COA's.

James A. Amos
575-234-5909

12/14/08

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6" hole
open hole TD 1638

1450
Perf & 50' 1550
Perf & 50' 1550
DIT
LOC Tag No lower than 1650
PERFORATIONS

CASING SIZE 6 5/8
TD 1600 1/2
20#

No mention of
Cmt.

FORMATION BOUNDS	
913	DR
1372	GB
1499	Mix
1614	Remic

1000'
Perf & 50'
900' wood tag
766
Both CSG.
Perf & 50'
LOC wood tag

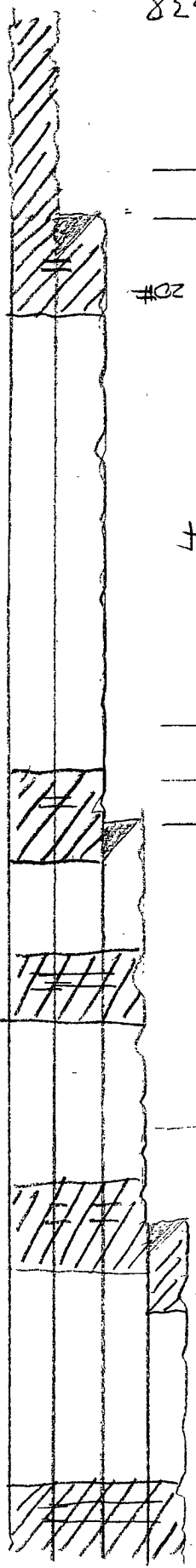
CASING SIZE 8 1/4
TD 949
HOLE SIZE 2

No mention of
Cmt.

SALT SECTIONS TOP
BASE
RIMP
CAVE/KARST
SPEC WATER
TDC SURF
IDT
PROD
400' wood tag
Perf & 50'
Both CSG.
500'
Perf & 50'
100' - 50' salt
100' - 50' salt

CASING SIZE 10
TD 435-450
HOLE SIZE 2
Cmt. 2 amount

HOLE SIZE 2



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 90th day provide this office, prior to the 90th 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.

Accepted for record
NMOCD