

OCD-ARTESIA  
FEB 23 2009

Form 3160-5  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**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  
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **OGX Resources, LLC**

3a. Address  
**POB 2064 Midland, TX 79702**

3b. Phone No. (include area code)  
**432-685-1287**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**770'FNL & 730 FWL Sec. 35, T- 22S, R- 31E**

5. Lease Serial No.  
**NM 101601**

6. If Indian, Allottee or Tribe Name  
**N/A**

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

8. Well Name and No  
**Tankless 35 Federal #1**

9. API Well No  
**30-015-36784**

10. Field and Pool, or Exploratory Area  
**Livingston Ridge - Bone Spring**

11. County or Parish, State  
**Eddy Co. NM**

**12. CHECK 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 type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" 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 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.)

**Production Casing Cement Change**

OGX Resources permitted this well to cement the production casing with lead slurry consisting of 535 sxs Premium Plus "H" cement & tail slurry consisting of 525 sxs 50/50 "C" POZ cement. We request to change the production cement to a 2 stage cement job. A DV tool will be @ 6000'. Stage 1 lead slurry: 341 sxs D909 cement w/ additives and stage 1 tail slurry: 845 sxs D049 cement w/ additives. Stage 2 lead slurry: 673 sxs D909 cement w/ additives and stage 2 tail slurry: 199 sxs C cement w/ additives. Casing will be set approx. 11,625'. A casing set and cement report will follow when production casing is set and cement job finished. The 2 stage cement proposal is attached with this report.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

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

**Angela Lightner angela@rkford.com**

Title **Consultant 432-682-0440 office**

Signature

*Angela Lightner*

Date

**02/17/2009**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE APPROVED**

Approved by

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

Date

**FEB 18 2009**

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.

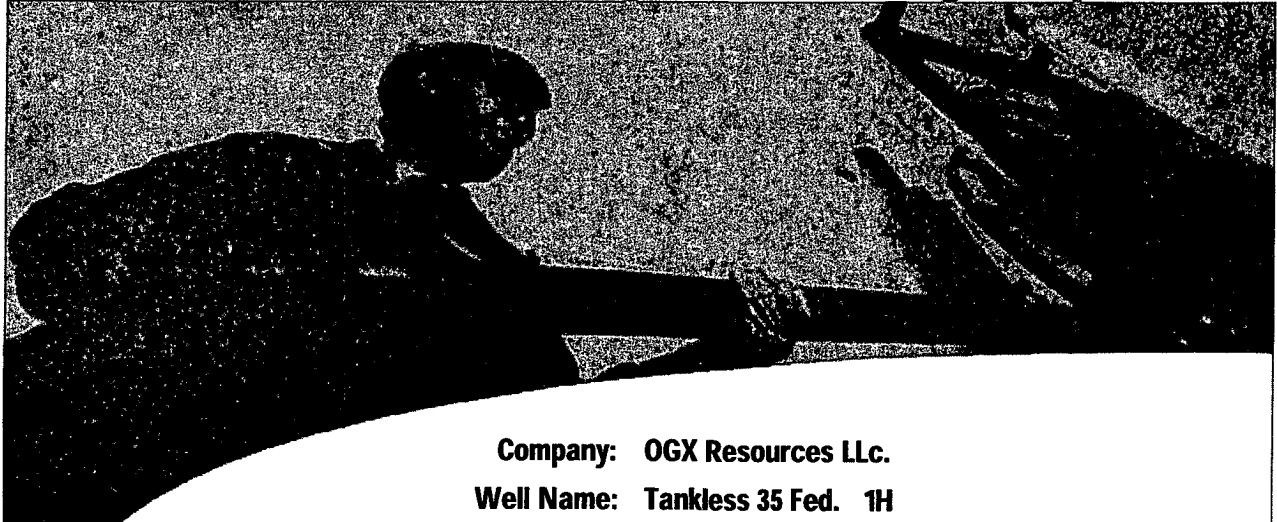
**WESLEY WINGRAM  
PETROLEUM ENGINEER**

(Instructions on page 2)

*RM*

*WLR*

# Multistage Cementing Proposal



**Company:** OGX Resources LLC.

**Well Name:** Tankless 35 Fed. 1H

**Field:** Livingston Ridge

**County:** Eddy

**State:** NM

**Date:** 2/17/2009

**Well Location:** S35, T25S, R31E

**API Number:**

**Proposal Number:** 2 Revised 2 Stage

**Contact:** Jeff Birkelbach

**Made By:** Hank Horton

**Service from District:** Artesia, NM

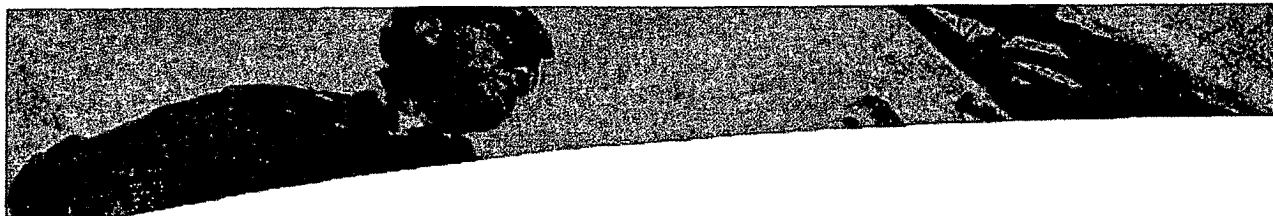
**District Phone:** 575-748-1392

**Objective:** Cement 11,625 ft. of 5 1/2" Production Casing in 2 Stages. Stage Tool @ 6,000 ft.

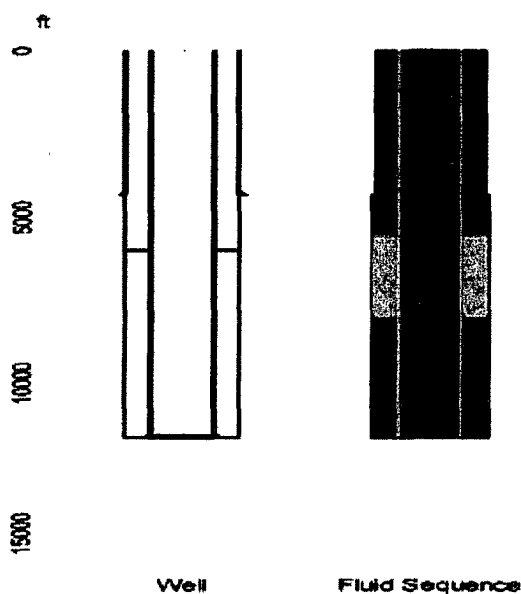
#### Disclaimer Notice

This information is presented in good faith, but no warranty is given by and Schlumberger assumes no liability for advice or recommendations made concerning the use of any product or service. The results given are estimates based on calculations produced by a computer model including various assumptions on the well, reservoir and treatment. The results depend on input data provided by the Customer and estimates as to unknown data and can be no more accurate than the model, the assumptions and such input data. The information presented is Schlumberger's best estimate of the results that may be achieved and should be used for comparison purposes rather than absolute values. The quality of input data, and hence results, may be improved through the use of certain tests and procedures which Schlumberger can assist in selecting. Freedom from infringement of patents of Schlumberger or others is not to be inferred nor are any such rights granted unless expressly agreed to in writing.

# Schlumberger



## WELL DATA Stage 1



### Well Data

Job Type:	Multistage Cementing
Total Depth (Measured):	11625.0 ft
True Vertical Depth (TVD):	8076.2 ft
BHST (Tubular Bottom Static Temperature):	137 degF
BHCT (Tubular Bottom Circulating Temperature):	132 degF

### Open Hole

Mean Diameter without Excess	Bottom Depth	Annular Excess
8.500 in	11625.0 ft	45.0 %

### Previous Casing

OD	Weight	Grade	Thread	Inner Capacity	Bottom Depth
9 5/8 in	36.0 lb/ft	K-55	LTC	0.43 ft <sup>3</sup> /ft	4350.0 ft

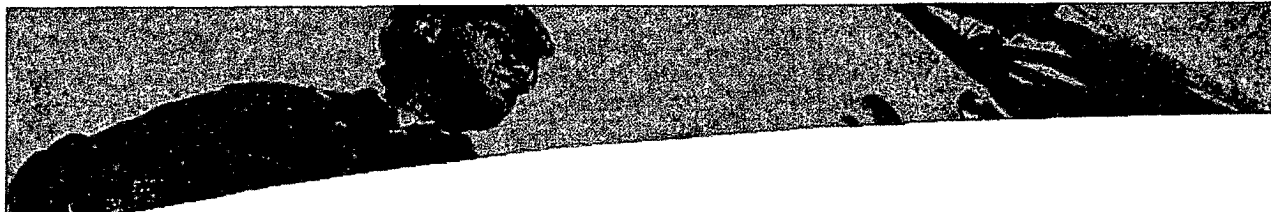
### Casing

OD	Weight	Grade	Thread	Inner Capacity	Bottom Depth
5 1/2 in	17.0 lb/ft	N-80	BTC	0.13 ft <sup>3</sup> /ft	11625.0 ft

Fluid Placement			
Fluid Name	Volume gal	Density lb/gal	Top of Fluid ft
Fresh Water	420	8.32	5421.6
Lead Slurry	6096	11.80	5590.7
Tail Slurry	8975	13.00	8044.2
Mud	11273	8.90	0.0

Total Liquid Volume :26764 gal

Annular Capacity (without Excess) : Casing bottom / Open Hole : 0.23 ft<sup>3</sup>/ft  
 Annular Capacity (without Excess) : Previous Casing bottom / Casing : 0.27 ft<sup>3</sup>/ft



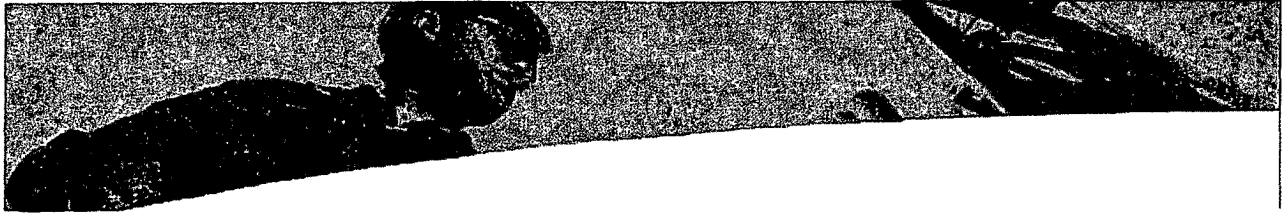
## FLUID SYSTEMS Stage 1

Fresh Water	
System	Water
Density	8.32 lb/gal
Total volume	420 gal
Additives	

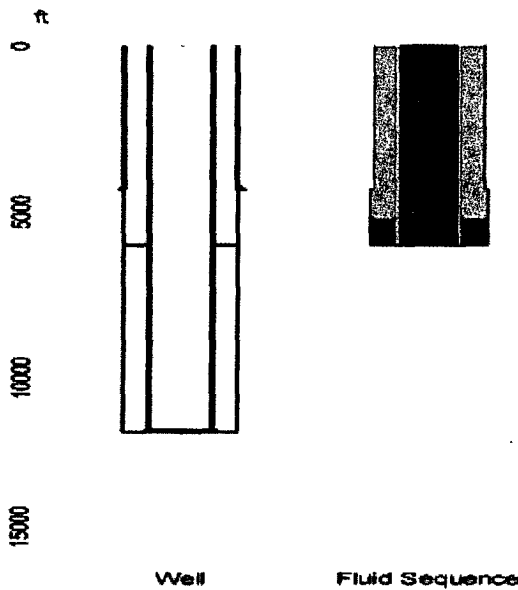
Lead Slurry (341 sacks, 87 lb per sack of Blend)			
System	Conventional		
Density	11.80 lb/gal		
Yield	2.38 ft <sup>3</sup> /sk		
Mixed Water	13.536 gal/sk		
Mixed Fluid	13.536 gal/sk		
Total volume	6096 gal		
Expected Thickening Time			
Expected Compressive Strength			
Expected Fluid Loss			
Additives	Code	Description	Concentration
	D044	NaCl	1.0 % BWOW
	D020	Extender	10.0 % BWOC
	D112	Fluid loss	0.6 % BWOC
	D042	Extender	5 lb/sk
	D029	Lost Circulation Control Agent	0.25 lb/sk
	D909	Cement	47 lb/sk
	D132	Extender	40 lb/sk

Tail Slurry (845 sacks, 75 lb per sack of Blend)			
System	Conventional		
Density	13.00 lb/gal		
Yield	1.42 ft <sup>3</sup> /sk		
Mixed Water	7.312 gal/sk		
Mixed Fluid	7.312 gal/sk		
Total volume	8975 gal		
Expected Thickening Time			
Expected Compressive Strength			
Expected Fluid Loss			
Additives	Code	Description	Concentration
	D174	Expanding Agent	2.0 % BWOB
	D167	Fluid loss	0.3 % BWOB
	D065	Dispersant	0.1 % BWOB
	D046	Defoamer	0.2 % BWOB
	D800	Retarder	0.4 % BWOB
	D049	Cement	75 lb/sk

Some of the chemicals specified in this program may have toxic properties. All personnel should be familiar with the inherent dangers and appropriate safeguards to prevent accidental injury. Use of the chemicals may be governed by certain laws and regulations and should only be used in accordance with



## WELL DATA Stage 2



Well Data	
Job Type:	Multistage Cementing
Total Depth (Measured):	11625.0 ft
True Vertical Depth (TVD):	8076.2 ft
BHST (Stage Collar Static Temperature):	125 degF
BHCT (Stage Collar Circulating Temperature):	101 degF

Stage Collar	
Measured Depth :	6000.0 ft

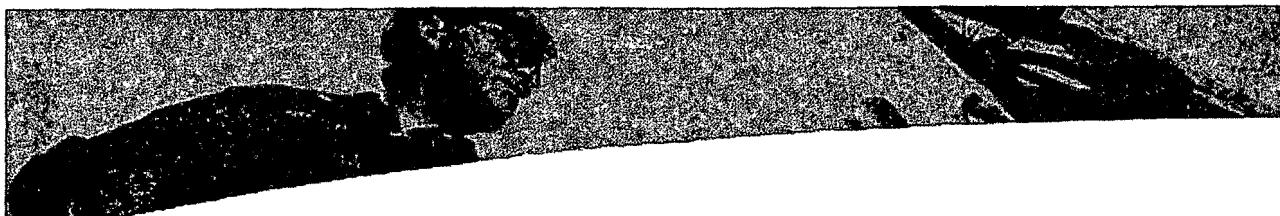
Previous Casing					
OD	Weight	Grade	Thread	Inner Capacity	Bottom Depth
9 5/8 in	36.0 lb/ft	K-55	LTC	0.43 ft <sup>3</sup> /ft	4350.0 ft

Casing					
OD	Weight	Grade	Thread	Inner Capacity	Bottom Depth
5 1/2 in	17.0 lb/ft	N-80	BTC	0.13 ft <sup>3</sup> /ft	11625.0 ft

Fluid Placement			
Fluid Name	Volume gal	Density lb/gal	Top of Fluid ft
Fresh Water	420	8.32	0.0
Lead Slurry	12050	11.80	0.0
Tail Slurry	1974	14.80	5205.5
Mud	5858	8.90	0.0

Total Liquid Volume :20302 gal

Annular Capacity (without Excess) : Previous Casing bottom / Casing : 0.27 ft<sup>3</sup>/ft



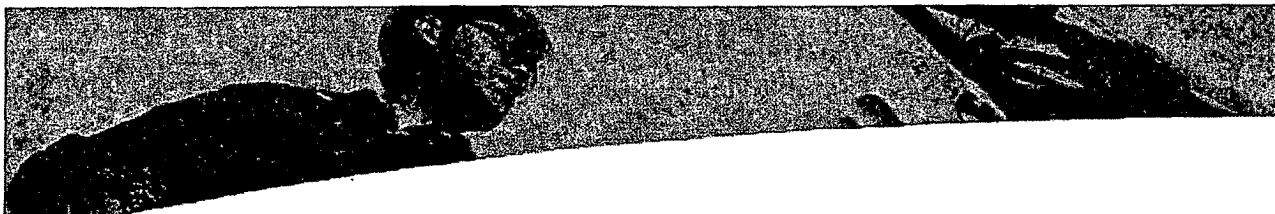
## FLUID SYSTEMS Stage 2

Fresh Water	
System	Water
Density	8.32 lb/gal
Total volume	420 gal
Additives	

Lead Slurry (673 sacks, 87 lb per sack of Blend)			
System	Conventional		
Density	11.80 lb/gal		
Yield	2.38 ft <sup>3</sup> /sk		
Mixed Water	13.536 gal/sk		
Mixed Fluid	13.536 gal/sk		
Total volume	12050 gal		
Expected Thickening Time			
Expected Compressive Strength			
Expected Fluid Loss			
Additives	Code	Description	Concentration
	D044	NaCl	1.0 % BWOW
	D020	Extender	10.0 % BWOC
	D112	Fluid loss	0.6 % BWOC
	D042	Extender	5 lb/sk
	D029	Lost Circulation Control Agent	0.25 lb/sk
	D909	Cement	47 lb/sk
	D132	Extender	40 lb/sk

Tail Slurry (199 sacks, 94 lb per sack of Blend)			
System	Conventional		
Density	14.80 lb/gal		
Yield	1.33 ft <sup>3</sup> /sk		
Mixed Water	6.340 gal/sk		
Mixed Fluid	6.340 gal/sk		
Total volume	1974 gal		
Expected Thickening Time			
Expected Compressive Strength			
Expected Fluid Loss			
Additives	Code	Description	Concentration
	D013	Retarder	0.4 % BWOB
	C	Cement	94 lb/sk

Some of the chemicals specified in this program may have toxic properties. All personnel should be familiar with the inherent dangers and appropriate safeguards to prevent accidental injury. Use of the chemicals may be governed by certain laws and regulations and should only be used in accordance with such. Please refer to the MSDS sheets for the recommended safety precautions and required minimum personal protective equipment.



## PROCEDURES

1. MI (Move in) Schlumberger equipment.
2. Conduct Rig-up, Prime-up and pressure test safety meeting.
3. RU (Rig up) Schlumberger equipment and pressure test to customer master valve.
4. Conduct pre-job safety meeting.
5. Perform treatment per design pumping schedule and instructions of client representative.
6. Conduct post job rig down meeting.
7. Rig down Schlumberger equipment.
8. Conduct convoy meeting and move out Schlumberger equipment.

Tankless 35 Federal 1  
30-015-36784  
OGX Resources, LLC  
February 18, 2009  
Conditions of Approval

1. Sundry is an NOI.
2. Sundry should detail the changes: DV tool depth, amount of cement with additives, class of cement (not trade name) and yield of cement. This should be done as for an APD.
3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
  - a. First stage to DV tool, cement shall:
    - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job.
  - b. Second stage above DV tool, cement shall:
    - ☒ Cement should tie-back at least **500** feet into previous casing string. Operator shall provide method of verification.

WWI 021809