

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC029420A
2. Name of Operator SANDRIDGE EXPL AND PROD. LLC		6. If Indian, Allottee or Tribe Name
3a. Address 2130 W. BENDER HOBBS, NM 88240	3b. Phone No. (include area code) 575-738-1739 EXT 117	7. If Unit of CA/Agreement, Name and/or No. NMNM71030X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL C SEC 15 T17S R31E 1303' FNL 2606' FWL		8. Well Name and No. SKELLY UNIT #181
		9. API Well No. 30-015-28965
		10. Field and Pool or Exploratory Area GRAYBURG JACKSON; SR-Q-G-SA
		11. Country or Parish, State EDDY

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

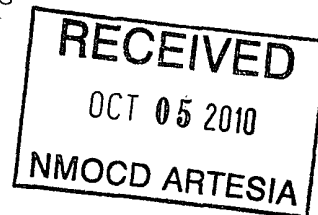
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 recomple 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 recomple 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.)

1. RIH & tag @3300', pump 15 sx class C cement to 3100'.
2. Spot 15 sx C cement across top of 7 Rvrs 2209-2059'. WOC & TAG
3. Spot 15 sx C cement across base of salt 1725-1575'. WOC & TAG
4. Perf & attempt to squeeze @720 (50' below top of salt) leaving plug 50' above surface casing shoe (@450'). WOC & TAG
5. Set surface plug 50' to surface w/class C cement.
6. Cut off wellhead and anchors, install dry hole marker, clean location.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

See Attached Reclamation Requirements



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Colleen Robinson		Title Regulatory Analyst
Signature		Date 08/25/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title SEAS	Date 10-1-10
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 CFD	

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.



Skelly Unit

181

API No. : 30-015-28965 Corp ID: 117567
WI: 100.00% NRI: 86.66%

Location / Legal's : 1303' FNL & 2606' FWL
Survey : C sec 15 twN 17S rng 31E
Lat : 32.8381500
Long : -103.8570600
County - State : Eddy Co., New Mexico
Spud Date : 10-Aug-96
Completion Date : 18-Jan-71
Status : Producer - TA
Field : Maljamar - Grayburg/Jackson/7 Rivers

Casing									
Section	Size	Wt.	Grade	Top	Set @	Jts	Hole Size	TOC	Sxs Cmt
Surface	8 5/8	24	K-55	0	450	10	12 1/4	0	325
Production	5 1/2	17#	J-55	0	3,950	94	7 7/8"	300'	1,000 *

750 sxs HLC + 8 pps salt+1/4 pps cello FB 250 sxs Class "C" +3 pps KCl+1/4 pps cello

Perf 720 (50' below top of salt) & attempt to sqz.
Leave plug 50' above Surface casing shoe.

Spot 15 sxs Class "C" Across Base of Salt 1725-1575

Spot 15 sxs Class "C" Across top of 7 Rvrs 2209-2059

15 sxs Class C cement (3300-3100)

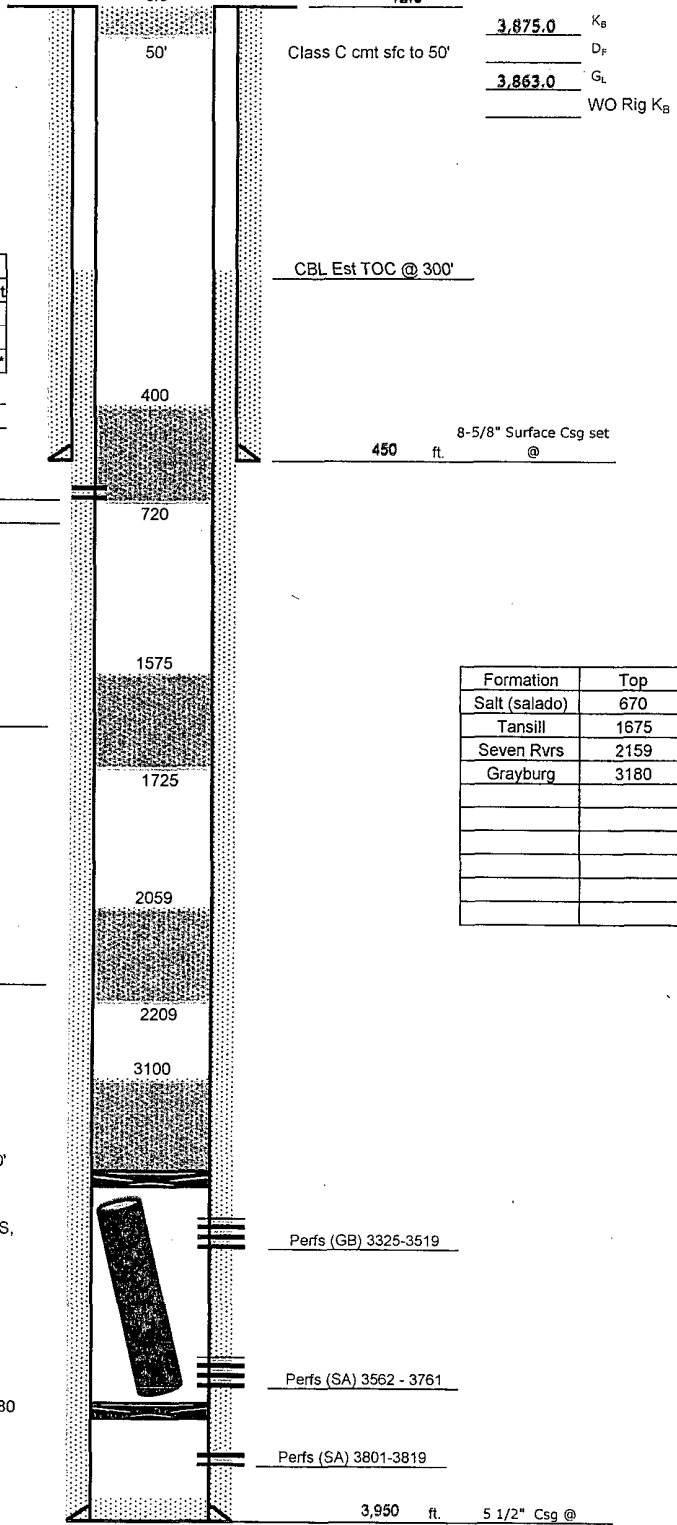
CIBP @ 3300'

Junk in hole - 11 jts 2 7/8" tbg, SN, PS,
9-3/4" rods, 10-1" rods, Lift sub &
pump.

CIBP @ 3780

D Tally
8/18/2010

PBTD: _____ ft.
TD: 3,950 ft.



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750 sxs HLC + 8 pps salt+1/4 pps cello FB 250 sxs Class "C" +3 pps KCl+1/4 pps cello

12.0 K_B

3,875.0 K_B

D_F

3,863.0 G_L

WO Rig K_B

CBL Est TOC @ 300'

8-5/8" Surface Csg set

450 ft. @

CIBP @ 3300'

Junk in hole - 11 jts 2 7/8" tbg, SN, PS,
9-3/4" rods, 10-1" rods, Lift sub &
pump.

CIBP @ 3780

Perfs (GB) 3325-3519

Perfs (SA) 3562 - 3761

Perfs (SA) 3801-3819

3,950 ft.

5 1/2" Csg @

PBTD: ft.

TD: 3,950 ft.

D Tally
8/19/2010

SandRidge E&P, LLC
NMLC-029420-A: Skelly Unit #181
API: 30-015-28965
Eddy County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

H2S monitoring equipment is to be on site.

1. Plug to be a minimum of 25sx – Otherwise OK (Perfs)
2. Plug to be a minimum of 25sx – Otherwise OK (Seven Rivers)
3. Plug to be a minimum of 25sx. Tag at 1575' or shallower – Otherwise OK (BOS)
4. Tag at 450' or shallower. If injection rate cannot be established, spot cement 50' below perfs – Otherwise OK (TOS)
5. If cement hasn't come to surface, perf required – Otherwise OK (Surface)
6. Verify cement to surface in all annuluses. Ground level dry hole marker required at this location: **Requirements** Attached – Otherwise OK
7. Submit subsequent report to the BLM.

See attached standard COAs.

DHW 092710

**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 prior to 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.

Requirements for ground level dry hole markers
Well Identification Markers
Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.
2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum 1/4 inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.
3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.
4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.
 - a. First row: Operators name
 - b. Second row: Well name and number
 - c. Third row: Legal location to include 1/4 1/4, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the 1/4 1/4 (example: 1980 FNL 1980 FWL) being on the top row.
 - d. Fourth row: Lease Number and API number.
 - i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a ground level dry hole marker was installed as required in the COA's from the BLM.