

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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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.

FEB 21 2011
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SUBMIT IN TRIPLICATE - Other instructions on page 2.		5. Lease Serial No. NM013410
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Vernon E. Faulconer, Inc.		7. If Unit of CA/Agreement, Name and/or No
3a. Address PO Box 7995, Tyler, TX 75711		8. Well Name and No. Potts Federal #2
3b. Phone No. (include area code) 903-581-4382		9. API Well No. 30-015-23124
4. Location of Well (Footage, Sec., T, R, M., or Survey Description) 1980 FNL & 1980 FWL, Section 13, Township 20S, Range 27E		10. Field and Pool or Exploratory Area Burton Flat Morrow
		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	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 recomplete 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 recompletion 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.)

Plug and abandon as follows:

- PLUG 1 Pull Tubing and Packer and set a CIBP @ 10800 W/ 35' OF Cement
Fill hole with 9 #/gal mud
- PLUG 2 Set a balanced 25 sx cement plug from 8784 - 8590'
- PLUG 3 Set a balanced 25 sx cement plug from 4540 - 4340'
Cut and pull 5 1/2" casing from 3047'
- PLUG 4 Set a balanced 60 sx cement plug from 3117 - 2900'
- PLUG 5 Perforate at 431' and set and circulate a 40 sx cement plug from 431 - 331'
- PLUG 6 Set a 25 sx cement top plug
Cut off all casings 3 foot below ground level and weld a plate over all casing strings and erect a marker monument.
Clear off and restore well location per BLM Guidelines.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

See attached Well Sketches.

**RECLAMATION PROCEDURE
ATTACHED**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Roy Sloan Jr.		Title Engineer
Signature		Date 02/04/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved by	Title
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
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 any statement, Agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	

APPROVED
FEB 11 2011
/s/ Dustin Winkler
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE



Operator: Vernon E. Faulconer Inc.

Well Name: Potts Federal #2 Unit 9042
 Field Name: Burton Flats
 Parish, State: Eddy County, NM
 Legal Description: 1980' FN&WL
 Sec 13, T20S, R27E
 API # 30-015-23124
 Grd Elev: 3309'
 DF Elev:
 KB Elev:
 Drawn By: Leslie Malone 4/27/2009

SURFACE CASING (11-3/4")

Setting: 11-3/4" 42# H-40 ST&C set at 381'
 Cement: 350 sxs Class H
 Circulated 50 sxs to surface
 Interval Hole Size: 14-3/4"

Intermediate Casing (8-5/8")

Setting: 8-5/8" 24# K-55 St&C set at 3047'
 Cement: 700 sxs Class C
 cement did not circ TS show TOC @ 445'

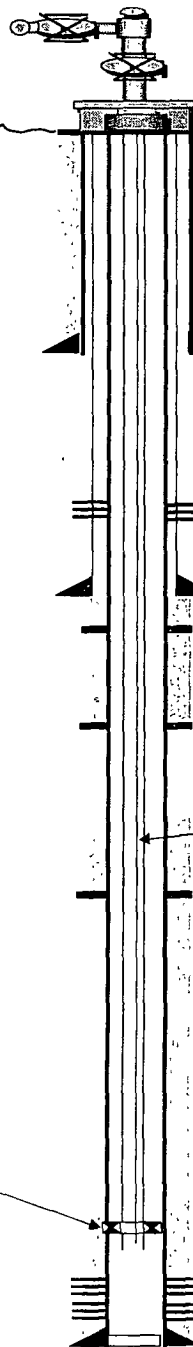
Well Setting (Run 7/1/2000)

1 78" R profile nipple, 10' sub, 1 81" F profile nipple
 10' sub, 5-1/2"x2-3/8" Arrowset pkr w/ on-off tool
 1 78" R profile nipple, and 341 jts 2-3/8" 4 7# EUE
 8rd tubing
 Set pkr at 10,782'

PRODUCTION CASING (5-1/2")

Setting: 2 jts 5-1/2" 17# set @ 11,275'
 Cement: unknown

Interval Hole Size: 8 3/4"



6/2000 Sqz'd w/ 75 sxs Class C
 3-1/2 BPM @900 psi, pressured up to 1000 #
 1992 Perf 2973-2983' (Delaware)
 Acidize w/ 3000 gals 50 Q N2 acid
 frac w/ 43,500# of sand

Sqz perf @ 3066-71'
 200 sxs, TS shows TOC @ 2997'

Sqz perf @ 4610'
 425 sxs, TS shows TOC @ 3076

1/4" Cap string, length unknown and
 install date unknown

Sqz perf @ 8784'
 300 sxs, TS show TOC @ 7610'

1980 Morrow

Perfs: 10,852-56', 10,861-73', 10,904-16'
 10,962-74' w/ 1/2" decentralized burless JHPF
 Acidize 10,852-10974' w/ 10,000 gals slick 7%
 Morrow type acid, 70 RCNB sealers & 44 bbls
 2% KCL FW & surfactant & N2

7/7/2000

Reperf 10,853-56', 10,861-73', 10,904-16'
 10,962-74', 1500 gals 15% acid & 1500 gals
 methanol w/ 100 ball sealers

7/13/2000 SI for BU, SITP 974 psi, SIBHP 1753 psi

P8TD, 11,229'
 TD: 11,275'

Present Configuration



Operator: Vernon E. Faulconer Inc.

Well Name: Potts Federal #2 **Unit** 9042
Field Name: Burton Flats
Parish, State: Eddy County, NM
Legal Description: 1980' FN&WL
Sec 13, T20S, R27E
API # 30-015-23124
Grd Elev: 3309'
DF Elev:
KB Elev:
Drawn By: Leslie Malone 4/27/2009

Plug 6 25 sx top plug

SURFACE CASING (11-3/4")

Setting: 11-3/4" 42# H-40 ST&C set at 381'
Cement 350 sxs Class H
Circulated 50 sxs to surface
Interval Hole Size: 14-3/4"

Plug 5 40 sx cmt plug at 431 - 331' perf and circulate

Intermediate Casing (8-5/8")
Setting 8-5/8" 24# K-55 ST&C set at 3047'
Cement. 700 sxs Class C
cement did not circ TS show TOC @ 445'

Plug 4 60 sx cmt plug @ 3117 - 2900

Plug 3 25 sx cmt plug at 4540 - 4340'

Plug 2 25 sx cmt plug at 8784 - 8590'

Plug 1 CIBP set @10800 w/ 35' of cmt

PRODUCTION CASING (5-1/2")

Setting: 5-1/2" 17# set @ 11,275'
Cement: unknown

Interval Hole Size: 8 3/4"

PBTD: 11,229'
TD: 11,275'

6/2000 Sqz'd w/ 75 sxs Class C
3-1/2 BPM @900 psi, pressured up to 1000 #
1992 Perf 2973-2983' (Delaware)
Acidize w/ 3000 gals 50 Q N2 acid
frac w/ 43,500# of sand

Sqz perf @ 3066-71'
200 sxs, TS shows TOC @ 2997'

Sqz perf @ 4610'
425 sxs, TS shows TOC @ 3076

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1980 Morrow

Perfs: 10,852-56', 10,861-73', 10,904-16'
10,962-74' w/ 1/2" decentralized burrless JHPF
Acidize 10,852-10974' w/ 10,000 gals slick 7%
Morrow type acid, 70 RCNB sealers & 44 bbls
2% KCL FW & surfactant & N2

7/7/2000

Reperf 10,853-56', 10,861-73', 10,904-16'
10,962-74', 1500 gals 15% acid & 1500 gals
methanol w/ 100 ball sealers

7/13/2000 SI for BU, SITP 974 psi, SIBHP 1753 psi

Post P&A

Vernon E. Faulconer, Inc.
NM-013410: Potts Fed #2
API: 30-015-23124
Eddy County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

1. Change: Pump 25sx on top – Otherwise OK (Perfs – Morrow)
2. Move: Spot cement from 8835'-8640'. WOC and tag at 8640' or shallower – Otherwise OK (Squeeze perfs – Wolfcamp)
- 2a. Spot a plug from 7790'-7610' (Spacer)
3. Move: Spot cement from 4660'-4430'. WOC and tag at 4430' or shallower – Otherwise OK (Squeeze perfs – Bone Spring)
4. WOC and tag to verify that cement was spotted a minimum of 50' below the stub or casing shoe (whichever one is deeper) to 50' above the top of the stub or casing shoe (whichever is shallower) with a minimum length of 140' – Otherwise OK (Casing shoe – Stub)
- 4a. Spot a cement plug (approx 65sx) from 2790'-2660' (Delaware)
- 4b. Perf and squeeze a plug (approx 60sx) from 1975'-1855'. WOC and tag at 1855' or shallower (Capitan Reef)
- 4c. Perf and squeeze a plug (approx 50sx) from 780'-670'. WOC and tag at 670' or shallower (Yates)
5. WOC and tag at 331' or shallower – Otherwise OK (Casing shoe)
6. Perforations required at 60' or deeper to verify that cement is to surface in and out of the 8-5/8" casing – Otherwise OK (Surface)
7. Verify that all annuluses have cement to surface and fill in as required.
8. Submit a subsequent report to the BLM.

H₂S monitoring equipment to be on location.

See attached standard COAs.

DHW 021111