

## OCD-ARTESIA

Form 3160-5  
(March 2012)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No 1004-0137  
Expires October 31, 2014**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.*

5. Lease Serial No.

NM 59385

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well☒ Gas Well☐ Other2. Name of Operator  
Unit Petroleum Company

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

8. Well Name and No  
HB3 Federal #13a. Address  
PO Box 702500  
Tulsa, OK 741703b. Phone No (include area code)  
918-493-77009. API Well No.  
300152576610. Field and Pool or Exploratory Area  
Cedar Canyon: Bone Springs4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1980' FSL and 1980' FEL of Sec 3-24S-29E11. County or Parish, State  
Eddy, NM

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 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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input 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 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.)

1. Pull out of hole with rods, pump and tubing.
2. Set CIBP @ 6,600'. Dump cement on top.
3. Perforate Brushy Canyon interval from 5,611'-5,650'.
4. Trip in hole with tubing and packer. Swab test Brushy Canyon perms.
5. Stimulate Brushy Canyon as necessary.
6. Return well to production.

RECEIVED

JUN 21 2012

NMOCD ARTESIA

SEE ATTACHED FOR  
CONDITIONS OF APPROVALWITNESS  
PLUG BACKAccepted for record  
NMOCD

Rode 7/5/12

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

Brent Keys

Title ENGINEERING MANAGER

Signature

Date 05/02/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.

APPROVED

JUN 19 2012

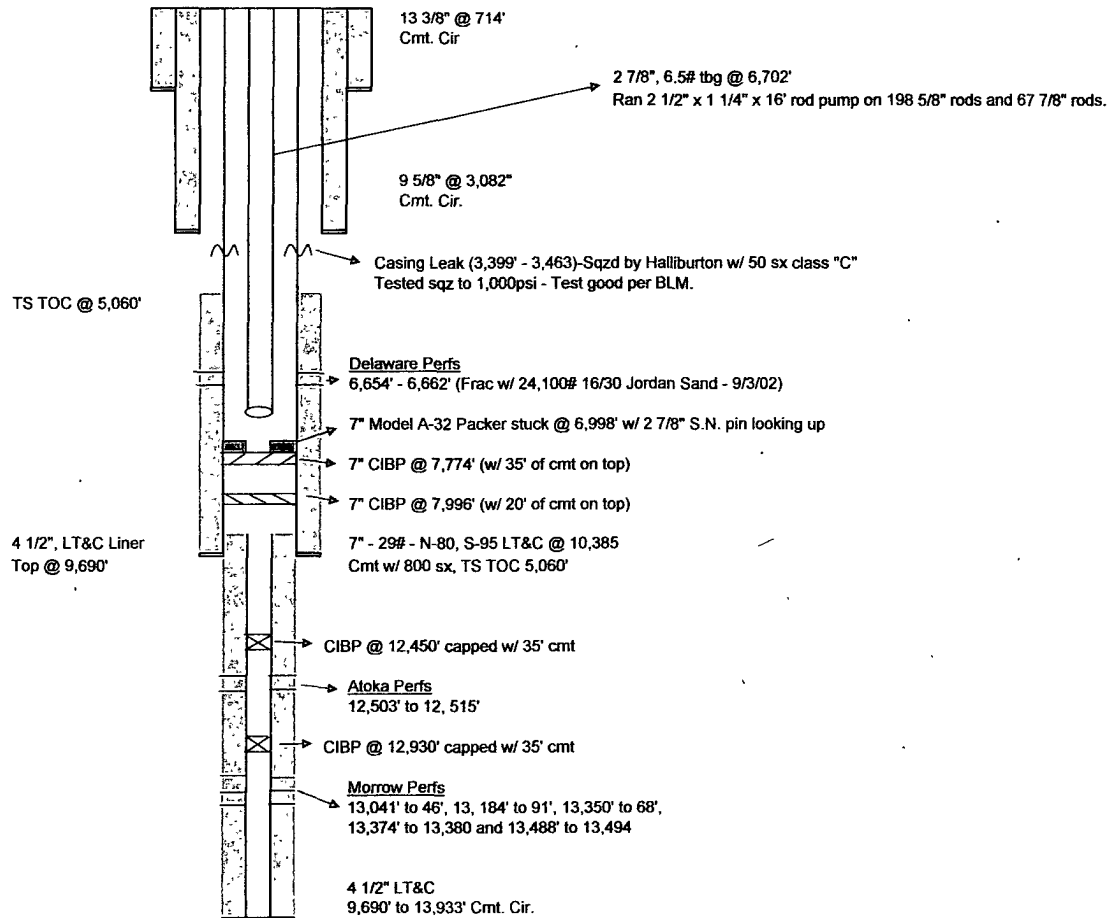
Date

WESLEY W. INGRAM  
PETROLEUM ENGINEER

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 or representation as to any matter within its jurisdiction.

(Instructions on page 2)

Well Name: HB '3' Federal #1  
 Section: 3-24S-29E  
 County: Eddy County, NM  
 SL: 1,980' FSL & 1,980' FEL



# **Conditions of Approval**

**Unit Petroleum company**

**HB3 Federal - 1**

**API 3001525756**

June 19, 2012

1. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when recompleting to another formation.
2. Notify BLM 575-361-2822 before plug back procedures. The procedures are to be witnessed. If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
3. Surface disturbance beyond the existing pad shall have prior approval.
4. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
5. Functional H<sub>2</sub>S monitoring equipment shall be on location.
6. A minimum of 3000(3M) BOPE is to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
7. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
8. **Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.**
9. **The BLM PET witness is to run tubing tally and agree to cement placement. Sample each plug for cement curing time and tag and/or pressure test (WOC time of 4 hours recommended) as requested by BLM PET witness.**
10. **Operator Step 2 shall be modified as follows: Operator shall set a Class C neat cement plug from the top of the fish to a minimum of 50' above the existing Delaware perforations at 6654'. Plug shall be tagged at 6600' or shallower. Plug shall be pressure tested to 1000 psi for 30 minutes prior to perforating. Operator will chart test and contact BLM for witness of pressure test.**

11. The CBL record of 10/07/1987 indicates TOC at 5070'. The intermediate casing is set at 3082'. This well is in the Secretary's Potash area, which requires that this casing cement be continuous and overlap the intermediate casing by 500 feet. This includes from 5070' up to the cement squeeze work across 3399-463' accomplished 02/2011 and above to a minimum TOC at 2582'. That TOC is to be verified with a CBL run from 5200'. Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record.
12. The casing leak squeeze at 3399' to 3463' did not hold 1000 psi, but lost 50 psi during the test. Therefore, operator shall not fracture treat down the 7" casing without testing the casing to the proposed fracture treatment pressure. This pressure shall not exceed 70% of the burst rating of the lowest grade casing.
13. The operator shall tag fracture material with a tracer and run a tracer survey to verify that the fracture material is not placed out of zone. Results of the tracer to be reported on the workover subsequent sundry Form 3160-5.
14. File a subsequent sundry Form 3160-5 within 30 days of the plug back and acid treatment. Include an updated wellbore diagram. File the subsequent sundry for the fracture treatment separately if it is delayed as much as 20 days.
15. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

PRS/WW1 061912

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - [http://www.blm.gov/nm/st/en/prog/energy/oil\\_and\\_gas.html](http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html)

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.