

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
Budget Bureau 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.

RECEIVED
APR 15 2013
NMOC D ARTESIA

5. Lease Serial No.
NMNM 08277

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Saladar Federal #14

9. API Well No.
30-015-24181

10. Field and Pool, or Exploratory Area
SALADAR;YATES

11. County or Parish, State
Eddy, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ INJECTION

2. Name of Operator

Agua Sucia LLC

3a. Address

5708 W. Austin St., Broken Arrow, OK 74011

3b. Phone No. (include area code)

918-704-2018

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1315' FSL & 1325' FWL
Sec. 33, T20S, R28E

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

☐ Acidize
☐ Alter Casing
☒ Casing Repair
☐ Change Plans
☐ Convert to Injection

☐ Deepen
☐ Fracture Treat
☐ New Construction
☐ Plug and Abandon
☐ Plug Back

☐ Production (Start/Resume)
☐ Reclamation
☐ Recomplete
☐ Temporarily Abandon
☐ Water Disposal

☐ Water Shut-Off
☐ Well Integrity
☐ Other

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.)

INTENT TO REPAIR CASING AS FOLLOWS:

Run 4 1/2" csg. pkr, cementing sleeve, and 600' of 3 1/2", J-55, 9.30#, FL3 flush pipe - ID 2.992, Drift 2.867, Collapsed Press 8330#, Internal yield 7050#, Pull 127,000#. Set pkr. at 600'. Drop ball and pressure up to 600# to close the tool, break circulation with water, switch to cement and pump 85 sx Class C Neat and circulate cement to surface. Close valve and pressure up 2000# to close tool. Pressure up to 2750# and blow the internal tool out of the bottom of the pipe. WOC 24 hrs. Notify BLM 24 hrs prior to running pressure test.

Run pkr. and 20 jts. of 2 3/8" J-55, 4.7# tbg.; set pkr. at 590'. Pressure test to 500 # for 30 min. OK. POOH with pkr. and RIH with bull plug 4' perf sub SN, and 21 jts. of J-55, 4.7# 2 3/8" tbg. with slim hole collars, and set at 620'. RIH with pump rods. Hang well on.

Accepted for record
4/15/13
NMOC D

DENIED
/s/ Chris Walls

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

Title Agent

Signature

Debbie McKelvey

Date 12/21/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date APR 10 2013

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

Order of the Authorized Officer

Agua Sucia LLC
Saladar - 14
API 3001524181, T20S-R28E, Sec 33
January 17, 2013

The Notice of Intent for this well of 12/21/2012 is denied. The plan to use non API couplings on 3 ½" J-55 9.3#/ft pipe inside 4 1/2" 11.6#/ft casing will have only 0.24" annular clearance. Required is a minimum of 0.422" annular clearance on all sides per Onshore Order 2.B. A prior Notice of Intent dated 09/10/2012 indicated the production casing would be pressured to 550psig during a BLM witnessed Casing Integrity Test. This has not been reported as accomplished.

This well's recorded activity has been inactive/shut-in for more than 30 days without authorization. An inactive/shut-in well bore is a non-producing completion that is capable of production in **paying quantities** or of service use.

Consider the beneficial use prospects and the wellbore integrity of this well. Submit your plan for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies).

As the current operator you are required to: **Prove the production casing integrity from no more than 50 feet above the perforations or open hole with a documented minimum pressure test of 550psig for 30 minutes, and return the well to production or beneficial use on or before 06/10/2013.**

Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Pressure leakoff will be evaluated site specifically and may restrict continued operation approval. Twenty four hours before the test contact BLM to witness; In Eddy County email Paul R. Swartz pswartz@blm.gov phone 575-200-7902, if there is no response, 575-361-2822 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.

Should the mechanical integrity test fail or not be conducted submit a procedure to plug and abandon the well for BLM approval on or before 06/10/2013.

References: 43 CFR 3162.1(a), 43 CFR 3162.3-2, 43 CFR 3162.3-4, 43 CFR 3162.4-1, Onshore Oil and Gas Order #1.X., & Onshore Oil and Gas Order #2.III.G.

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

§ 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.