

NM OIL CONSERVATION
ARTESIA DISTRICT
AUG 19 2014
RECEIVED

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Roswell Field Office
OCDA Artesia

UMLS 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

Oil Well Gas Well Other

2. Name of Operator

Cano Petro of New Mexico, Inc.

3a. Address

PO Box 4470, Tulsa, OK 74159-0470

3b. Phone No. (includes area code)

918-582-0088

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

Unit Lr P: 660 FSL & 660 FSL, Sec 80 - T7S - R 82E

5. Lease Serial No.

NMNM 14154

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Chambers Federal #1

9. API Well No.

30-041-20432

10. Field and Pool or Exploratory Area
Tomahawk, San Andres

11. Country or Parish, State

Roosevelt 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.)

This wellbore has a 4-1/2" Csg stub looking up @ 564'. Will MIRU WO Unit & attempt to dress top of fish. If entry can be established into fish will proceed with PLAN "A" for P&A. If can not get below 564' will proceed with Plan "B" for P&A.

Plan A: 1.) GIH w/2-3/8" tbg as WS to 4190'. Mix & pump 50 sx Class H 16.4 #/gal cmt w/2% CaCl & 1/4 #/sx Floseal. This balanced plug should fill Csg to 3500'. 2.) POOH w/WS to 2300'. WOC 4 hrs. Tag Bottom plug. 3.) MIRU Perforator. Perf Csg @ 2550' w 4 spft. RD Perforator. 4.) RIH w/WS to 2550' & establish circulation in annulus. Mix 100 sx Class H 16.4 #/gal cmt. Then pump & sqz 75 sx of cmt in annulus. Leaving 25 sx in Csg. 5.) POOH w/WS to 1600'. WOC 4 hrs. Tag plug. 6.) RU perforator & shoot Csg @ 4000 w/4 spft. RDMO Perforator. 7.) Establish annular circulation. Then mix & pump 65 sx Class H 16.4 #/gal cmt, squeezing 45 sx into annulus. 8.) POOH W/WS. Let cmt set overnight. Then tag plug. 9.) RIH w/WS to 564' & pump 220 sx Class H to fill & circ cmt to surface. 10.) WOC 4 hrs. & assure at surf. RDMO Well Pluggers. 11.) Cutoff & cap pipe below GL w/ ID marker & restore location per BLM direction.

** Plan B is not Approved at this time J. Arns 8-13-14*

Plan "B": 1.) Set RTTS type plr to 564'. 2.) RIH w/2-3/8" WS & stinger assembly. Sting into RTTS plr. 3.) Pump 980 sx Class H 16.4 #/gal cmt down the hole to fill the 4-1/2" csg. 4.) Unsting from RTTS & wash cmt out of WS. 4.) Pump 220 sx Class H 16.4 #/gal cmt to fill hole to surface. POOH w/WS & stinger. 5.) WOC overnight assure that cmt is at surface. 6.) Cutoff Csg Strings 3' below GL & cap w/ID marker. (Do not put up Well marker post.) 7.) Restore location per BLM direction.

See Attached Wellbore Diagrams of proposals.

*3) Perf @ 3400', SQZ cmt to 3270', woc tag (T/San Andres).
6) Perf @ 2256', SQZ cmt to 2135', woc tag (T/Yates 13/galt).
Perf @ 1850', SQZ cmt to 1740', woc tag (T/salt).
Spot cmt to surface from 614', top of H.*

Class "C" cmt all plugs!

Below Ground D.M.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

David P. Spencer

Title

Senior Oil & Gas Engineer

Signature

[Signature]

Date

7/15/2014 SEE ATTACHED FOR

THIS SPACE FOR FEDERAL OR STATE OFFICE USE CONDITIONS OF APPROVAL

Approved by

James A. Arns

Title

SPET

Date

8-13-14

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

Roswell Field Office
Approved for record
RM/OC

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.

(Instructions on page 2)

*Contact Jim Arns @ 575-234-5909 or 575-361-2648
if Questions or a need to alter.*

**ENTERED IN
AFMSS
RECLAMATION PROCEDURE
ATTACHED**

5756270276

Well bore Schematic

Well: Chambers Federal #1
 Field: Tomahawk; San Andres
 Lease #: NMNM14154

Unit Ltr: P 660 FEL & 660 FSL
 Sec 30 - T7S-R32E
 Roosevelt County, New Mexico

Present:
 Proposed: X X X
 PLAN "A"

Original Elev: GL 4437'
 KB 4447'

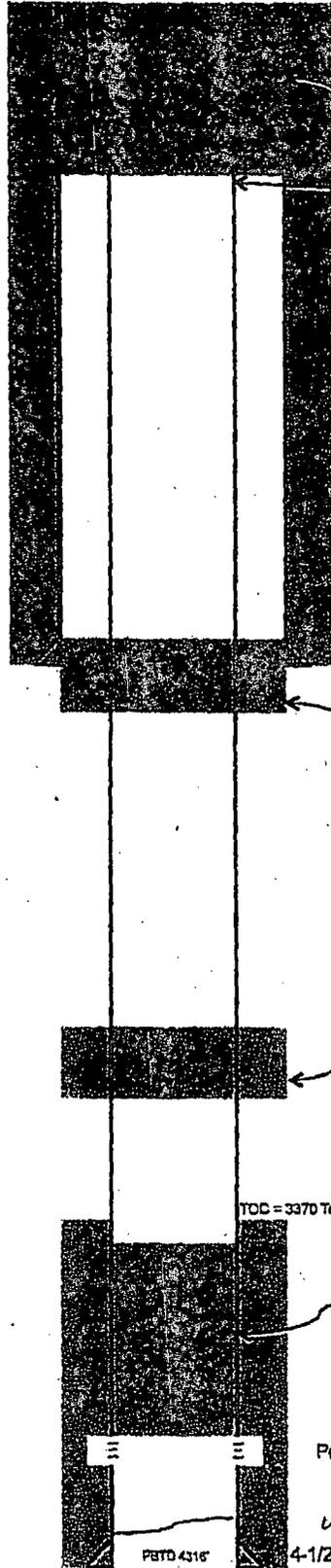
S U R F A C E

API Number: 30-041-20432
 Spud Date: 7/23/77
 Comp Date: 8/25/77
 First Prod:

Lease No. or Type: NMNM14154

In 1980: POOH w/rods & tbg. Set RTTS squeeze packer @ 4038'. Pump 50 sx Class "C" w/2% CaCl, 100sx Class "C" w/2% CaCl & 1/4#/sk Cello Flakes. Drd out & POP

10/27/1981: POOH for pump change. POOH w/165 3/4" rods & tbg plunger. Pulled 134 jts 2-3/8" tbg dragging until last 20 jts.
 10/28/81: PU BPMA, perf sub 2" SN, 4 jts & tbg anchor. GIH w 4 jts to 629' & stacked out. Check to see if anchor opened - NO. POOH w/2 jts & 24' of next jt & hung up. Could not go up or down.
 10/29/1981: MIRU Hoy Oil Service. Pump hot water to free tbg. Tbg pulled up 50' w/hot water but so did 4-1/2" csg. It rose 4'.
 10/30/1981: Strip out of hole w/tbg & csg. Recovered 564' of 4-1/2".
 11/2/1981: POOH w/rods & lay down, Shut in to evaluate well.



Rustler 1770
Salado 1802
Yates 2194
SA 3342

TOL 3560 Temp log

Perf. 4146 - 4178

(502)

Not to Scale

5756270276

Well bore Schematic

Well: Chambers Federal #1
Field: Tomahawk; San Andres
Lease #: NMNM14154

Unit Ltr: P 660 FEL & 680 FSL
Sec 30 - T7S-R32E
Roosevelt County, New Mexico

Present:
Proposed: X X X
PLAN "B"

Original Elev: GL 4437'
KB 4447'

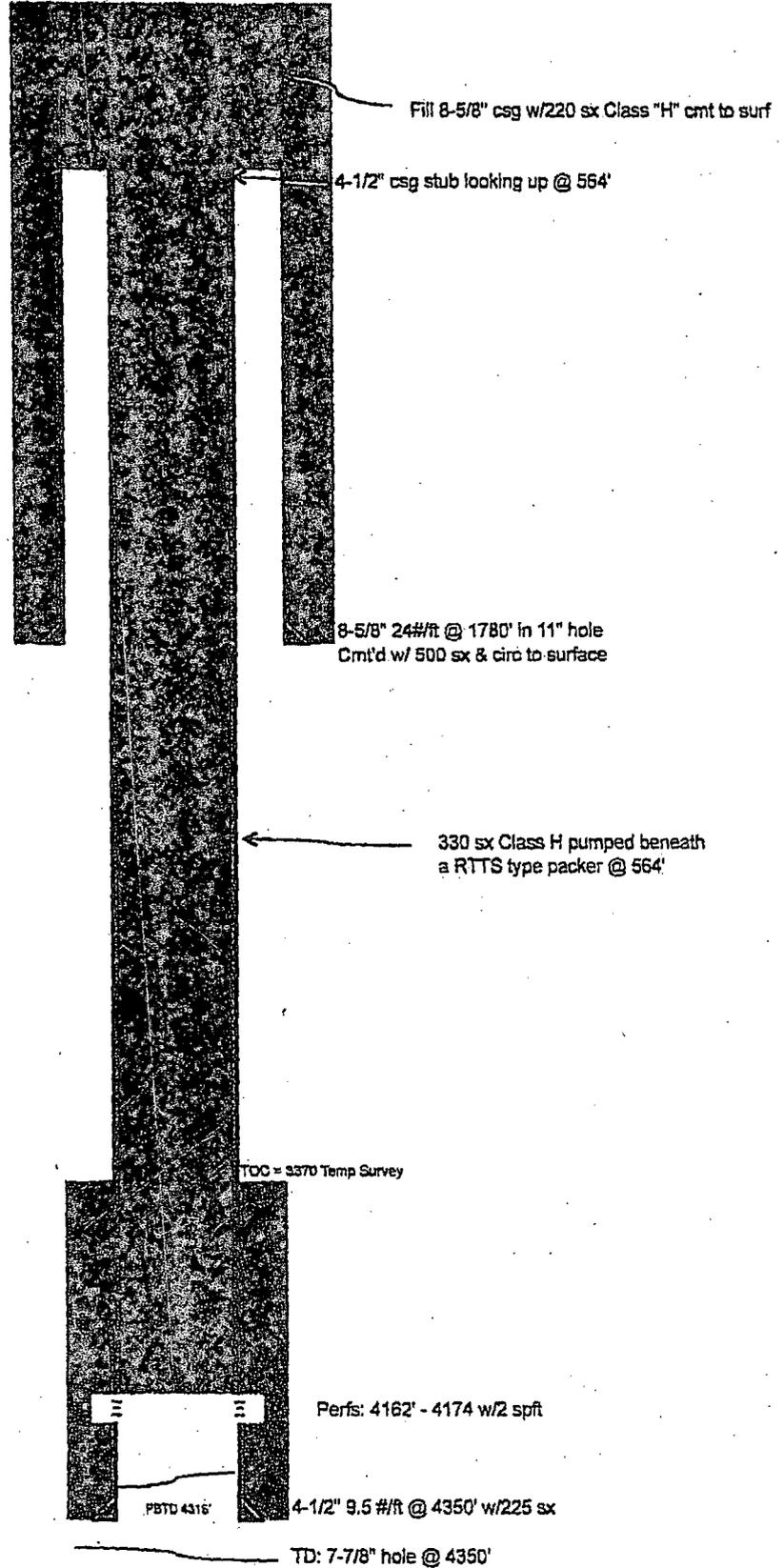
S U R F A C E

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POOH w/2 jts & 24' of next jt & hung up. Could not go up or down.
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10/30/1981: Strip out of hole w/tbg & csg. Recovered 564' of 4-1/2".
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Not to Scale

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 before 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.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909, 575-361-2648 (Cell)

Cody Layton
Supervisory Multi Resources
575-234-5959

Solomon Hughes
Natural Resource Specialist
575-234-5951

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Jeffery Robertson
Natural Resource Specialist
575-234-2230

Amanda Lynch
Natural Resource Specialist
575-234-5922

Duncan Whitlock
Environmental Protection Specialist
575-234-5926

Jessie Rice
Natural Resource Specialist
575-234-5913

Linda Denniston
Environmental Protection Specialist
575-234-5974

Indra Dahal
Natural Resource Specialist
575-234-5996

Contact Roswell Field Office for Reclamation.

575-627-0272.