

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil & Gas

FORM APPROVED
OMB NO. 1004-0135
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.

5. Lease Serial No.
NMNM048344

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
WILLIAMS A FEDERAL 14

2. Name of Operator
LRE OPERATING LLC
Contact: MIKE PIPPIN
E-Mail: mike@pippinllc.com

9. API Well No.
30-015-41891-00-S1

3a. Address
1111 BAGBY SUITE 4600
HOUSTON, TX 77002

3b. Phone No. (include area code)
Ph: 505-327-4573

10. Field and Pool, or Exploratory
ARTESIA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 29 T17S R28E NWSW 2310FSL 0330FWL
32.804072 N Lat, 104.204717 W Lon

11. County or Parish, and State
EDDY COUNTY, NM

12. CHECK 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 checked="" type="checkbox"/> Other Subsurface Commingling
	<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 shall 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 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.)

THIS IS A REQUEST TO REMOVE THE CBP @ ~3250' & DHC.

Following the recompletion to San Andres, LRE would like to drill the CBP @ ~3250' & DHC the Yeso with the San Andres. See NOI sundry ES298392. LRE requests administrative approval to downhole commingle the existing Artesia, Glorieta-Yeso (96830) and the proposed Red Lake, Queen-Grayburg-San Andres (51300). Both intervals have common ownership, we have not experienced any significant cross flows, & all the fluids are compatible. Downhole commingling will maximize the ultimate recovery of oil & gas & eliminate redundant surface equipment. A DHC application has also been submitted to the State. See the attached DHC worksheet & supporting data. The "Williams A & B Field Study of the Yeso & San Andres" dated 11/23/2013 reviewed & approved by EGF on 1/27/2014 has been accepted by BLM CFO as justification for a

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 10 2015

RECEIVED

Accepted for record
NMOCGD 7/30/15

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #298614 verified by the BLM Well Information System
For LRE OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by ED FERNANDEZ on 07/07/2015 (15EF0033SE)

Name (Printed/Typed) MIKE PIPPIN

Title PETROLEUM ENGINEER

Signature (Electronic Submission)

Date 04/17/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
JUL 7 2015
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER

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 Carlsbad

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.

** BLM REVISED **

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Additional data for EC transaction #298614 that would not fit on the form

32. Additional remarks, continued

downhole pool commingling project on the Williams A & B Federal leases.

LRE OPERATING, LLC
WILLIAMS A FEDERAL #14
 Artesia; Glorieta-Yeso & Red Lake, Queen-Grayburg-San Andres
 LF Section 29 T17S R28E
 4/17/2015
 API#: 30-015-41891

Commingle Allocation Calculations

On January 20, 2014, the Yeso (lower zone) was completed as a new well. LRE has submitted an NOI sundry (E298392) to recomplete this well to the San Andres (upper zone) and produce as a single SA well to obtain a test. Following the SA test, the well will be DHC. The last Yeso production test on 4/3/15 before the recompletion was 8 BOPD, 47 MCF/D, & 8 BWPD. The average San Andres test on the lease is 18 BOPD, 80 MCF/D, & 204 BWPD. As per EGF, the pool allocations will be fine tuned after the SA test.

	Upper Zone (SA)	+	Lower Zone (YESO)	=	Total
Total Oil (bbls/d)	18	+	8	=	26
Total Gas (mcf/d)	80	+	47	=	127
Total Water (bbls)	204		8	=	212

OIL

Upper Zone (SA) = 18 BOPD
 Total oil = 26 BOPD
 $\% \text{ Upper Zone} = \frac{18}{26} = \underline{69\%}$

Lower Zone (Yeso) = 8 BOPD
 $\% \text{ Lower Zone} = \frac{8}{26} = \underline{31\%}$

GAS

Upper Zone (SA) = 80 MCF/D
 Total gas = 127 MCF/D
 $\% \text{ Upper Zone} = \frac{80}{127} = \underline{63\%}$

Lower Zone (Yeso) = 47 MCF/D
 $\% \text{ Lower Zone} = \frac{47}{127} = \underline{37\%}$

WATER

Upper Zone (SA) = 204 BWPD
 Total gas = 212 BWPD
 $\% \text{ Upper Zone} = \frac{204}{212} = \underline{96\%}$

Lower Zone (Yeso) = 8 BWPD
 $\% \text{ Lower Zone} = \frac{8}{212} = \underline{4\%}$

LRE OPERATING, LLC
WILLIAMS A FEDERAL #14
Artesia; Glorieta-Yeso & Red Lake, Queen-Grayburg-San Andres
L Section 29 T17S R28E
4/17/2015 – Mike Pippin
API#: 30-015-41891

WEIGHTED AVERAGES

OIL GRAVITY:

Bottom zone (Yeso) = 8 BOPD, 35.8

Upper zone (SA) = 18 BOPD, 34.1

$$(8 \times 35.8) + (18 \times 34.1) = 284.0 + 613.8 = 897.8$$

$$897.8 / (8 + 18) = \underline{\underline{34.5 \text{ GRAVITY OIL}}}$$

GAS BTU:

Bottom zone (Yeso) = 47 MCF/D, 1295 BTU

Upper zone (SA) = 80 MCF/D, 1197 BTU

$$(47 \times 1295) + (80 \times 1197) = 60,865 + 95,760 = 156,625$$

$$156,625 / (47 + 80) = \underline{\underline{1233 \text{ BTU GAS}}}$$

H2S in GAS:

Bottom zone (Yeso) = 47 MCF/D, 9,500 ppm

Upper zone (SA) = 80 MCF/D, 3500 ppm

$$(47 \times 9,500) + (80 \times 3500) = 446,500 + 280,000 = 726,500$$

$$726,500 / (47 + 80) = \underline{\underline{5720 \text{ ppm H2S}}}$$

Sulfur in Oil:

Bottom zone (Yeso) = 8 BOPD, 1.003

Upper zone (SA) = 18 BOPD, 1.2293

$$(8 \times 1.003) + (18 \times 1.2293) = 8.024 + 22.1274 = 30.1514$$

$$30.1514 / (8 + 18) = \underline{\underline{1.1597 \text{ Wt\% Sulfur}}}$$

DOWNHOLE COMMINGLING WORKSHEET

Operator: LRE OPERATING, LLC
Lease/Well Name/API#/Location: NMNM048344, WILLIAMS A FEDERAL #14, 30-015-41891, L SEC 29 T17S R28E
Date: 4/17/2015

Data	Bottom Formation	Upper Formation	Estimated Combined Production Data
Pool Name:	Artesia, GI-Yeso	Red Lake, Qn-Gryb-SA	(See attached weighted average calculations)
Pool Code:	96830	51300	
State Form C-102 w/dedicated Acres provided:	Yes 40 acres	Yes 40 acres	
Formation Name:	Yeso	San Andres	
Top & Bottom of Pay Section (Perfed or OH interval):	3305'-3510' Perfed	~1780'-3072' Play to Perf	
Method of Production:	Pumping	Plan to pump	
Bottom Hole Pressure:	851 psi	690 psi	
Reservoir Drive Mechanism:	Solution gas drive	Solution gas drive	
Oil Gravity &/or BTU:	35.8 / 1295*	34.1 / 1197*	34.5 / 1233
Average Sulfur Content (Wt%):	1.003*	1.2293*	1.1597
Oil Sample Analysis Provided:	Yes*	Yes*	
Gas Analysis Provided:	Yes*	Yes*	
Produce Water Analysis Provided:	Yes*	Yes*	
H2S Present:	9,500 ppm*	3500 ppm*	5720
Producing, Shut-in or New Zone:	Pumping	Plan to pump	
Date & Oil/Gas/Water rates of Last Production (new zones or no production history Operator shall attach production estimate & supporting data):	1/25/2015 8 BOPD 47 MCF/D 8 BWPD	Ave. SA From Lease 18 BOPD 80 MCF/D 204 BWPD **	Estimated Rates: 30 BOPD 130 MCF/D 220 BWPD
Average decline % (provide back up data):	OIL = 9.76%* GAS = 1.57%*	OIL = 9.51%* GAS = 5.89%*	OIL = 8.59%* GAS = 1.91%*
Fixed Allocation %: (See attached calculations)	OIL = 31% GAS = 37% WTR = 4%	OIL = 69% GAS = 63% WTR = 96%	

Remarks: *See attached back-up data & "Williams A & B Field Study of Yeso & San Andres".

** As per EGF. Pool allocations will be fine tuned after SA test.

Operator Signature:

Date: 4/17/2015

Attached Supporting Documents

- State Form C-102 w/dedicated Acres Provided
- Oil Sample Analysis Provided (Must be Current)
- Gas Analysis provided (Must be Current)
- Produce Water Analysis provided (Must be Current)
- Any additional supporting data (i.e. offset well production & decline curves etc.)

* FROM WILLIAMS A & B FIELD STUDY

	County	EDDY	Well Name	Williams A Federal #14	Field:	Redlake Glorieta-Yeso NE	Well Sketch:	AFE R15021 LRE Operating, LLC
	Surface Lat:	32.8040722°N	BH Lat:	32.8040722°N	Survey:	S29-T17S-R28E Unit L	API #	30-015-41891
	Surface Long:	104.2047166°W	BH Long:	104.2047166°W		2310' FSL & 330' FWL	OGRID #	281994

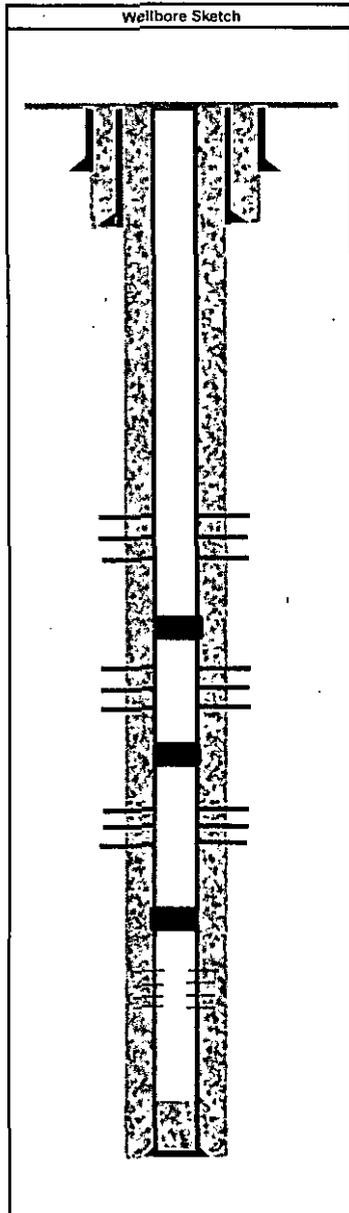
Directional Data:			
KOP			
Max Dev.:			
Dleg sev:			
Dev @ Perfs			
Ret to Vert:			

Tubular Data							
Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC
Conductor	14"	68.7#	B	Weld	40'	40'	SURF
Surface	8 5/8"	24#	J-55	STC	426'	426'	SURF
Intermediate							
Production	5 1/2"	17#	J-55	LTC	3,595'	3,595'	SURF
Liner							

Wellhead Data	
Type:	
WP:	
Tree Cap	Flange: Thread:
Tbg Hanger:	
8TM Flange:	
BPV Profile:	NA
Elevations:	GR - RKB = 11.8'
RKB:	3631.5
GL:	3,619.7

Drilling / Completion Fluid	
Drilling Fluid:	10.2 PPG Brine / Salt Gel
Drilling Fluid:	
Completion Fluid:	2% KCL
Completion Fluid:	
Packer Fluid:	NA

CEMENT DATA							
	L/sks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	300	1.35	14.8	NA	NA	NA	83 sx
Intermediate							
Liner							
Production	310	1.9	12.8	375	1.33	14.8	122 sx



Completion Information				
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES
		from	to	
0				
40'	20" Hole			
426'	12 1/4" Hole			
527'	Seven Rivers			
1088'	Queen			
1510'	Grayburg			
1817'	San Andres			
2 7/8" tbg, TAC at 1680', SN at 3075', 4' slotted sub, 1 Jt MA w BP at 3110'				
119- 7/8" KD rods, 4- 1.5" kbars, 2.5"x2"x20' RHBC-HVR pump				
Weatherford ALX 320-256-120 Pumping Unit- 30 HP Motor, 100" SL at 9 SPM				
	San Andres	1,780'	2,007'	34
CBP at 2100'				
	San Andres	2,170'	2,584'	37
CBP at 2622'				
	San Andres	2,664'	3,072'	36
3187'	Glorieta			
CBP at 3250'				
3,305'	Yeso			
	Stage 1 Yeso Frac	3,305'	3,511'	41
	PBTD			
3,595'	PROD CSG			
Comments: NM OCD CLP				
Plug back Depth:				MD
Total Well Depth:			3,600'	3600' MD
Prepared By:			Date:	
Eric McClusky			15-Apr-15	
227', 1500 g 15% HCL, 5,700 bbls water 30,000 # 100 Mesh, 120,960 # 40/70 Ottawa 80 + BPM 414', 1500 g 15% HCL, 8,900 bbls water 30,000 # 100 Mesh, 331,590 # 40/70 Ottawa 80 + BPM 408', 1500 g 15% HCL, 8,900 bbls water 30,000 # 100 Mesh, 331,590 # 40/70 Ottawa 80 + BPM 205' Stg1 - See Frac Design above 5-1/2" Float Collar 5-1/2" Prod Csg. Circ 122 SX Cmt to Surf				

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-41891		2 Pool Code 96830		3 Pool Name Artesia, Glorieta-Yeso	
4 Property Code 309877		5 Property Name WILLIAMS A FEDERAL			6 Well Number 14
7 OGRID No. 281994		8 Operator Name LRE OPERATING, LLC.			9 Elevation 3620' GL

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	29	17-S	28-E		2310	SOUTH	330	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

29	330'	2310'	O	<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division:</p> <p style="text-align: right;">Date: 4/16/15</p> <p>Signature: _____ Date: _____ Mike Pippin Printed Name</p>
	330'		O	

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-41891		² Pool Code 51300		³ Pool Name Red Lake, Queen-Grayburg-San Andres	
⁴ Property Code 309877		⁵ Property Name WILLIAMS A FEDERAL			⁶ Well Number 14
⁷ OGRID No. 281994		⁸ Operator Name LRE OPERATING, LLC.			⁹ Elevation 3620' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	29	17-S	28-E		2310	SOUTH	330	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

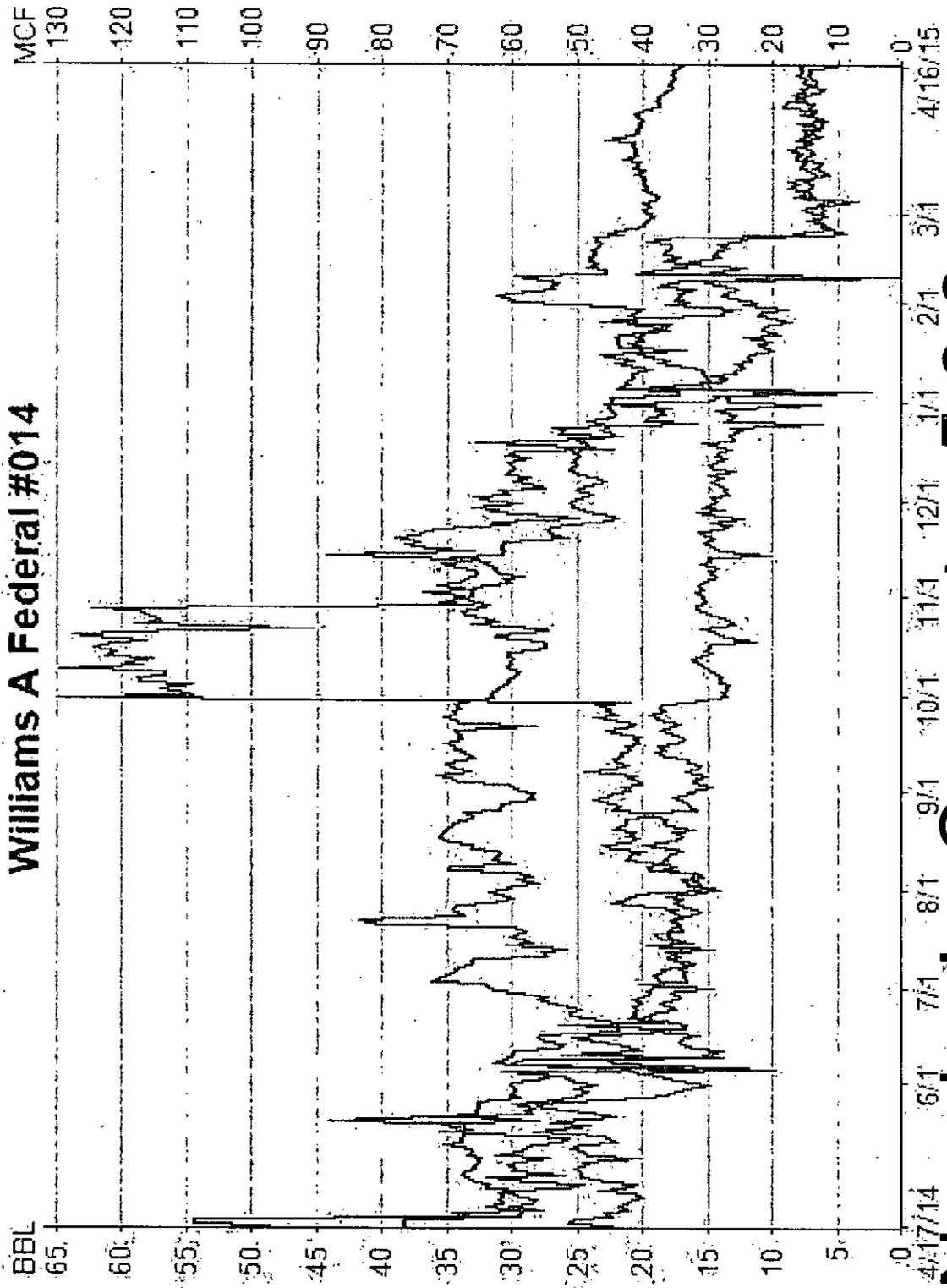
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	29			<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p style="text-align: right;">4/16/15</p> <hr/> <p>Signature Date</p> <p><u>Mike Pippin</u> Printed Name</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>5/23/12</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor.</p> <p>Filmon F Jaramillo</p> <p>12797</p> <p>Certificate Number</p>			

Williams A Federal #014



Neveia docConverter 5.0.0

District I
1825 N. Frankford, Hobbs, NM 88241

District II
1911 W. Grand Avenue, Artesia, NM 87011

District III
1090 Rio Hondo Road, Lordsburg, NM 87043

District IV
1220 S. W. Frankford, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator LIRE OPERATING, LLC c/o Mike Pippin LLC (agent) 3104 N. Sullivan, Farmington, NM 87401
Address

Lease WILLIAMS A FEDERAL #14 Well No L SEC 29 T17S R28E Unit Letter-Section-Township-Range
Eddy County

OGRID No 281994 Property Code 309877 API No. 30-015-41891 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	RED LAKE; -Queen-Grayburg-San Andres		ARTESIA; Glorieta-Yeso
Pool Code	51300		96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	-1780'-3072'		3305'-3510'
Method of Production (Flowing or Artificial Lift)	Plan to Pump		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation at the lower zone is within 15% of the depth of the top perforation in the upper zone.)	690 psi		851 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	34.1		35.8
Producing, Shut-In or New Zone	Prospective New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: RATES:	Date: Rates:	Date: 4/3/15 Rates: 8 BOPD 47 MCF/D 8 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas	Oil Gas	Oil Gas
		% %	

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
 Are all produced fluids from all commingled zones compatible with each other? Yes No
 Will commingling decrease the value of production? Yes No
 If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No
 NMOCD Reference Case No. applicable to this well: _____

Attachments

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases
- Any additional statements, data or documents required to support commingling

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required
 List of other orders approving downhole commingling within the proposed Pre-Approved Pools.
 List of all operators within the proposed Pre-Approved Pools
 Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application
 Bottomhole pressure data

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE _____ TITLE Petroleum Engineer - Agent DATE April 17, 2015

TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. (505) 327-4573

E-MAIL ADDRESS mike@pippinllc.com

Conditions of Approval, (Commingle SA & Yeso)

LRE Operating, LLC
Williams A - 14
API 3001541891, T17S-R28E, Sec 29
July 7, 2015

1. The "Williams A & B Field Study of the Yeso & San Andres" dated 11/23/2013 reviewed and Approved by EGF on 01/27/2014 has been accepted by BLM CFO as justification for a downhole pool comingling project on the Williams A and Williams B federal leases. The Yeso is currently capable of production in paying quantities and is to be produced until that formation's economic limits are achieved. This being said, the combined formations should increase field production.
2. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when opening another pay zone. (received)
3. A subsequent sundry detailing work done and a completion report for the San Andres and Yeso formations is necessary.
4. Surface disturbance beyond the originally approved pad must have prior approval.
5. Closed loop system required.
6. All waste (i.e. drilling fluids, 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.
7. Functional H₂S monitoring equipment shall be on location.
8. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.

EF/PS

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.