

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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 reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Echo Production, Inc.

3a. Address

PO Box 1210, Graham, TX 76450

3b. Phone No. (include area code)

(940) 549-3292

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

1980' FNL & 760' FEL
Sec 21 T20S R25E

5. Lease Serial No.

NM 85849

6. If Indian, Allottee or Tribe Name

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

NM 112738

8. Well Name and No.

Stiletto 21 Federal #1

9. API Well No.

30-015-33096

10. Field and Pool, or Exploratory Area

Cemetery-Morrow

11. County or Parish, State

Eddy Co., NM

12. CHECK APPROPRIATE BOX(ES) 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 close drilling
pit

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.)

Propose to close drilling pit on Stiletto 21 Federal #1. Will dig a trench adjacent to present pit of sufficient size to contain all cuttings from drilling pit, line the trench with a 12 mil liner, transfer drilling pit cuttings to the trench, cap the trench with a 20 mil liner and cap the liner with 3 feet of soil. Once the drilling pit has been evacuated the pit walls will be pushed in and the pit will be covered with 3 feet of soil.

Attached is approved Form C-103 by OCD.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Name (Printed/Typed)

Tom Golden

Title Operations Manager

Signature

Tom Golden

Date 2/20/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ James A. Amos

Title

Date

MAR 06 2007

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 FIELD 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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-33096
5. Indicate Type of Lease Federal STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 33131
7. Lease Name or Unit Agreement Name Stiletto 21 Federal Com
8. Well Number 1
9. OGRID Number 06742
10. Pool name or Wildcat Cemetery-Morrow

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	RECEIVED
2. Name of Operator Echo Production, Inc.	JUL - 5 2006
3. Address of Operator PO Box 1210, Graham, Texas 76450	WELL ABANDONED
4. Well Location Unit Letter <u>H</u> : <u>1980</u> feet from the <u>north</u> line and <u>760</u> feet from the <u>east</u> line Section <u>21</u> Township <u>20S</u> Range <u>25E</u> NMPM County <u>Eddy</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3461 GR	
Fit or Below-grade Tank Application <input type="checkbox"/> or Closure <input checked="" type="checkbox"/>	
Fit type <u>drilling</u> Depth to Groundwater <u>100+</u> Distance from nearest fresh water well <u>200+</u> Distance from nearest surface water <u>1000+</u>	
Fit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u> </u> bbls; Construction Material <u> </u>	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Close drilling pit ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Propose to close drilling pit on Stiletto 21 Federal Com. #1. Will dig a trench adjacent to present pit of sufficient size to contain all cuttings from drilling pit, line the trench with a 12 mil liner, transfer drilling pit cuttings to the trench, cap the trench with a 20 mil liner and cap the liner with 3 feet of soil. Once the drilling pit has been evacuated the pit walls will be pushed in and the pit will be covered with 3 feet of soil.

Work will begin as approval is received and a contractor is available.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCDC guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Tom Golden TITLE Operations Manager DATE 6/30/06

Type or print name Tom Golden E-mail address: rondaw@echoproducton.com Telephone No. (940) 549-3292

For State Use Only

APPROVED BY: Gerry Guye Deputy Field Inspector TITLE Gerry Guye DATE JUL 14 2006
Conditions of Approval (if any): District II - Artesia

**Conditions of Approval
NM112738; Stiletto 21 Federal 1
1980' FNL & 760' FEL
Sec. 21, T20S, R25E
Eddy County, New Mexico**

The Bureau of Land Management (BLM) is in agreement with the deep burial of reserve pit contents as per the New Mexico Oil Conservation Division (NMOCD). However, we are not in agreement with offsetting the existing pit and excavating another pit causing additional surface disturbance. The existing pit that was excavated for the drilling operations is the preferred location for the deep burial of the pit contents. Our preference is to allow the cuttings to dry, if the current liner is not adequate to encapsulate the cuttings, push them to one side, excavate the existing pit to a size that would allow for the deep burial of pit contents, line and bury as per OCD approval. Objective is no new disturbance.

In addition to the reserve pit reclamation, please see attached reference to interim reclamation. Interim reclamation should take place at the same time as pit reclamation. This will allow for best use of equipment, etc..

If you have any questions, please call Jim Amos to 505-234-5909.