

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

S

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.

March - Year
MAR 28 2007
OCD-ARTESIA

5. Lease Serial No.
NM0354232

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM85343

8. Well Name and No.
PIONEER FEDERAL #1

9. API Well No.
30-015-24777

10. Field and Pool, or Exploratory Area
La Hurta; Atoka/Strawn

11. County or Parish, State
Eddy, NM

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Vernon E. Faulconer, Inc.

3a. Address
PO Box 7995, Tyler, TX 75711

3b. Phone No. (include area code)
903-581-4382

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
G - Sec. 19, T21S - R27E

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 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 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 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.)

See attached proposed procedure and before and after well diagrams.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOCD

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

Name (Printed/Typed) Roy Sloan Jr.

Title Engineer

Signature *[Signature]*

Date February 26, 2007

Approved by

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.

Title

Office

APPROVED

MAR 23 2007

[Signature]

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

VERNON E. FAULCONER, INC.

"Ocotillo Hills #2"

"Plug & Abandon"

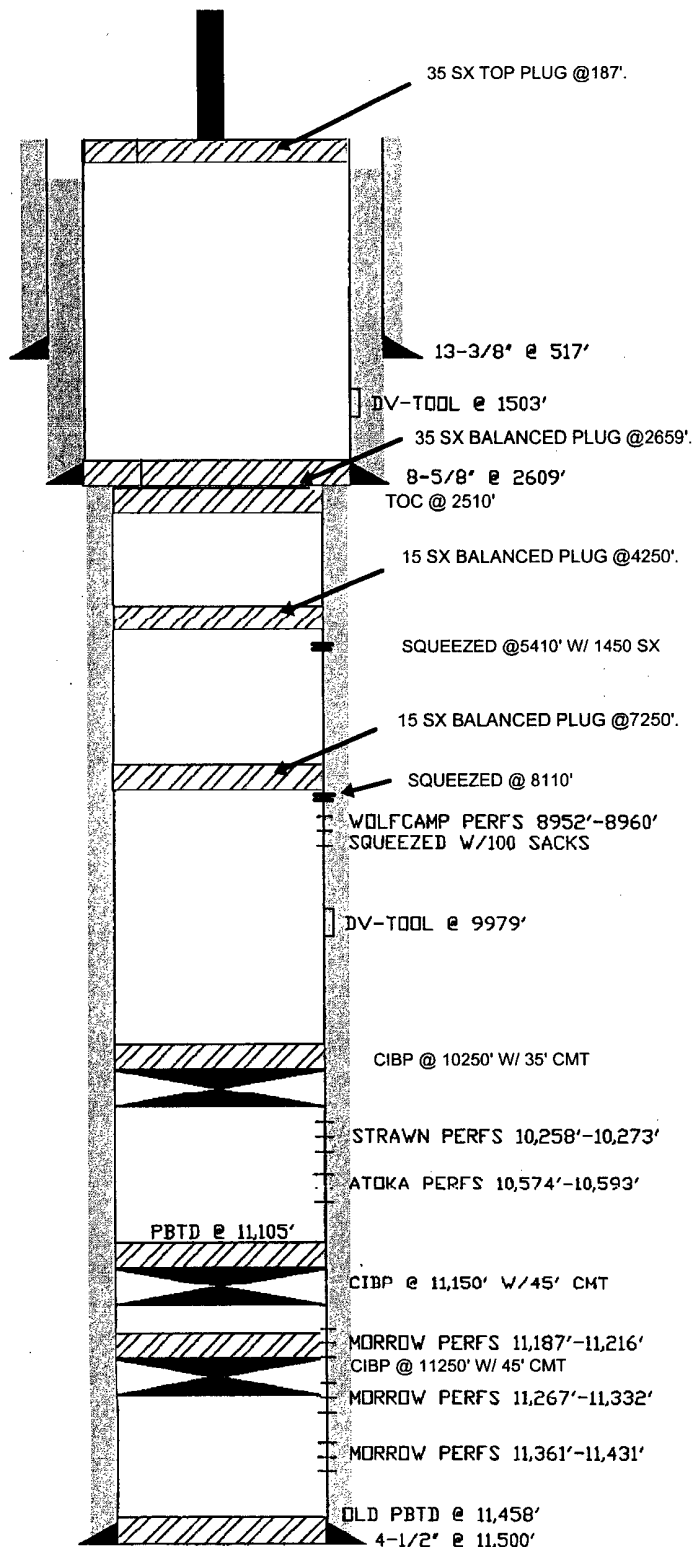
February 26, 2007

Page 1

1. MIRU WO RIG
2. NIPPLE DOWN X-MAS TREE, NIPPLE UP BOP'S
3. PICK UP ON TUBING AND LET BY PASS VALVE ON PACKER OPEN. RELEASE BAKER MODEL R PACKER AND LET ELEMENTS RELAX. POOH WITH TUBING.
4. RU ELECTRIC LINE AND RIH AND SET CIBP @ 10,250', DUMPBAIL 35' OF CMT ON PLUG.
5. RIH W/ TUBING TO 7250 AND DISPLACE WELL WITH 9 #/GAL. MUD. MIX AND SPOT A 15 SX BALANCED CEMENT PLUG.
6. POOH TO 4250' LAYING DOWN TUBING.
7. MIX AND SPOT A 15 SX BALANCED CEMENT PLUG @ 4250'. POOH LAYING DOWN TUBING TO 2609'. POOH AND STAND BACK REMAINDER OF TUBING.
8. RU ELECTRIC LINE AND CUT 4 1/2 CASING AT 2600', RD ELECTRIC LINE, POOH LAYING DOWN CASING.
9. RIH WITH TUBING AND SPOT A 35 SX BALANCED CEMENT PLUG 50' INSIDE THE STUB. PULL UP OUT OF PLUG 6 STANDS AND REVERSE OUT TUBING. WAIT ON CEMENT OT SET, TAG TOP OF PLUG. POOH LAYING DOWN TUBING TO 187' (50' BELOW BASE OF FRESH WATER).
10. MIX AND SPOT A 35 SX BALANCED CEMENT PLUG CIRCULATING CEMENT TO SURFACE. POOH LAYING DOWN ALL TUBING.
11. NIPPLE DOWN BOP'S.
12. CUT OFF BRADEN HEAD AND WELD A STEEL PLATE ACROSS ALL CASINGS.
12. INSTALL a steel marker not less than four inches (4") in diameter set in cement and extending at least four feet (4') above mean ground level. The operator name, lease name and well number and location, including unit letter, section, township and range, shall be welded, stamped or otherwise permanently engraved into the metal of the marker.
13. RDMO WO RIG.
14. REMOVE ALL SURFACE EQUIPMENT AND CLEAN OFF LOCATION.

**Accepted for record
NMOCD**

CONFIGURATION AFTER P&A WELL DATA SHEET



FIELD: BURTON FLAT

LEASE AND WELL NO: PIONEER FEDERAL COM NO. 1

COUNTY AND STATE: EDDY COUNTY, NEW MEXICO

LOCATION: 1980' FNL & 1740' FEL, SEC. 19, T21S, R27E

WELL STATUS: FLOWING GAS WELL

ID: 11,500' PBTD: 11,105' GL: 3181' KB: 3209'

SURFACE CASING: 13-3/8", 48#, H-40 SET @ 517'. CMTD W/475 SACKS (CIRCULATED).

INTERMEDIATE CASING: 8-5/8", 24# & 32# SET @ 2609', CMTD W/2510 SACKS.

PRODUCTION CASING: 4-1/2", 11.6# & 13.5#, N-80 SET @ 11,500'. CMTD W/325 SACKS. DID NOT CIRCULATE CEMENT.

ILLUSTRATION: 2-3/8" W/PACKERS @ 10,116' & 8019'. GUIBERSON UNI-III-AS PACKER @ 8019' & GUIBERSON UNI-VI PACKER @ 10,116.

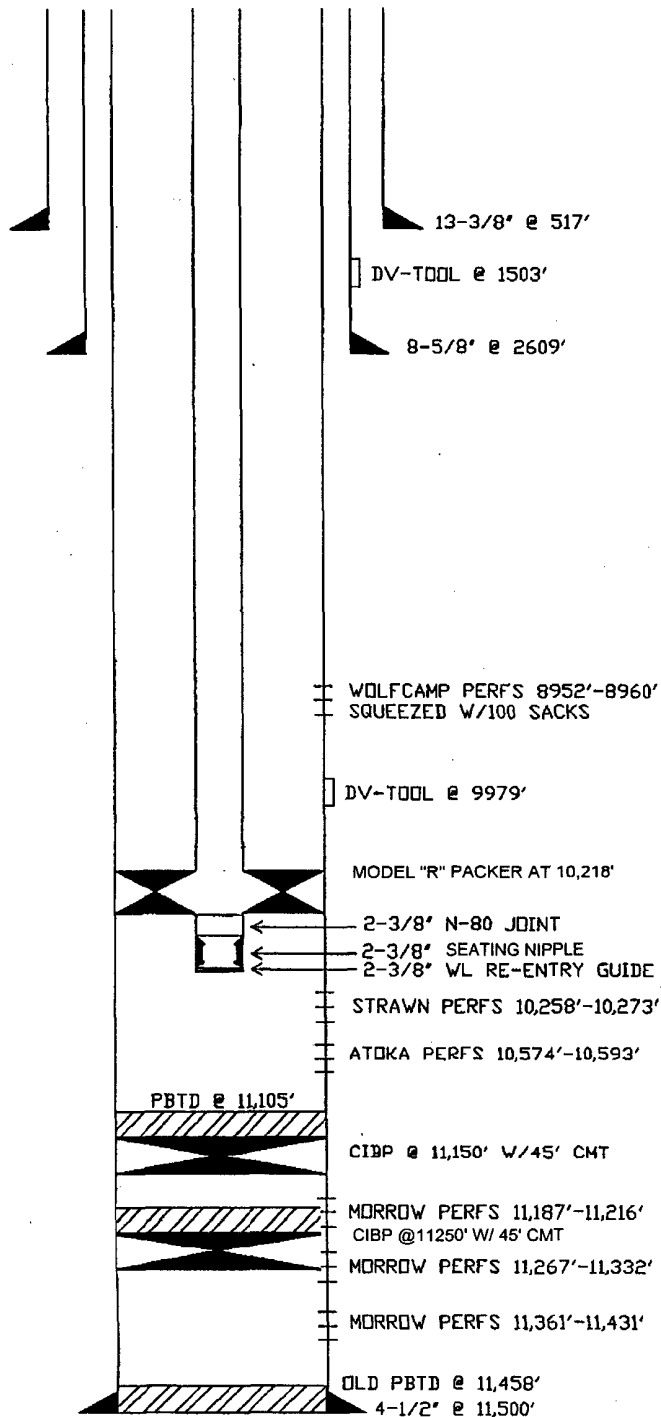
PRODUCTION METHOD: FLOWING

Accepted for record
NMOCD

COMPLETION INTERVAL: STRAWN 10,258'-10,273' & ATOKA 10,574-10,593'

HISTORY:

CURRENT CONFIGURATION WELL DATA SHEET



FIELD: BURTON FLAT

LEASE AND WELL NO.: PIONEER FEDERAL COM NO. 1

COUNTY AND STATE: EDDY COUNTY, NEW MEXICO

LOCATION: 1980' FNL & 1740' FEL, SEC. 19, T21S, R27E

WELL STATUS: FLOWING GAS WELL

ID: 11,500' PBTD: 11,105' GL: 3181' KB: 3209'

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INTERMEDIATE CASING: 8-5/8", 24# & 32# SET @ 2609', CMTD W/2510 SACKS. DID NOT CIRCULATE CMNT.

PRODUCTION CASING: 4-1/2", 11.6# & 13.5#, N-80 SET @ 11,500'. CMTD W/325 SACKS. DID NOT CIRCULATE CEMENT.

TIUBING: 2-3/8" W/PACKERS @ 10,116' & 8019'. GUIBERSON UNI-III-AS PACKER @ 8019' & GUIBERSON UNI-VI PACKER @ 10,116.

PRODUCTION METHOD: FLOWING

**Accepted for record
NMOCD**

COMPLETION INTERVAL: STRAWN 10,258'-10,273' & ATOKA 10,574'-10,593'

HISTORY:

PREPARED BY: DANNY BROCK

DATE: SEPTEMBER 30, 1992

**Pioneer Federal #1
Vernon E. Faulconer, Inc
March 9, 2007
Plug and Abandon Procedure**

Step 1 Ok

Step 2 Ok

Step 3 Ok

Step 4 35' if bailed, 50' if dumped

Step 4a Plug required over DVT at 9979'. Plug to be a minimum of 25 sacks (OCD) and a minimum of 100' in length plus an additional 10% of slurry for each 1000 feet of depth.

Step 5 Plug to be moved to top of Wolfcamp at approximately 8882'. Perforate and squeeze plug at approximately 8882'. Minimum 25 sack plug required (OCD) and a minimum of 100' in length plus an additional 10% of slurry for each 1000 feet of depth. Tag plug.

Step 5a Plug required at top of Bone Spring approximately 5766'. Perforate and squeeze plug at approximately 5766'. Minimum 25 sack plug required (OCD) and a minimum of 100' in length plus an additional 10% of slurry for each 1000 feet of depth.

Step 6 & 7 Steps not needed.

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NMOCD**

Step 8 Ok

Step 9 Stub plug to extend 50' into casing as stated. Plug also required at top of Delaware at approximately 2520'. Perforate and squeeze plug at approximately 2670' to meet requirement of no more than 3000' between plugs in cased hole. Minimum 25 sack plug required (OCD) and a minimum of 100' in length plus an additional 10% of slurry for each 1000 feet of depth. This plug could be stub plug, casing shoe plug, and top of Delaware plug. Tag plug.

Step 9a Plug required over DVT at 1503'. Plug to be a minimum of 25 sacks (OCD) and a minimum of 100' in length plus an additional 10% of slurry for each 1000 feet of depth.

Step 9b Plug required at top of Yates approximately 683' in offset well. Perforate and squeeze plug at approximately 683'. Minimum 25 sack plug required (OCD) and a minimum of 100' in length plus an additional 10% of slurry for each 1000 feet of depth. If the TOC is 680', perforate and squeeze cement to surface leaving a plug that is a minimum of 100' in length above the top of the Yates.

Step 9c Plug required at 13 3/8" shoe. Plug to be set 50 feet below casing shoe, perforate and squeeze plug at approximately 570'. Plug to be a minimum of 25 sacks (OCD) and a minimum of 100' in length plus an additional 10% of slurry for each 1000 feet of depth. Tag plug.

Step 10 Perforate and squeeze plug at 187'.

Step 11-14 Ok

WWI 030907

Accepted for record
NMOCJ

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
505-234-5972**

**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 505-627-0272; Eddy County, call 505-234-5972; Lea County, call 505-393-3612.

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 50 feet 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 class "C", for up to 7,500 feet of depth, mixed at 14.8 lbs/gal with 6.3 gallons of fresh water per sack or class "H", for deeper than 7,500 feet plugs, mixed at 16.4 lbs/gal with 4.3 gallons of fresh water per sack.

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.

**Accepted for record
NMOCD**