Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR - BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

OCD-	ARTESIA
المسترية المسالة	MICHAE

FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010

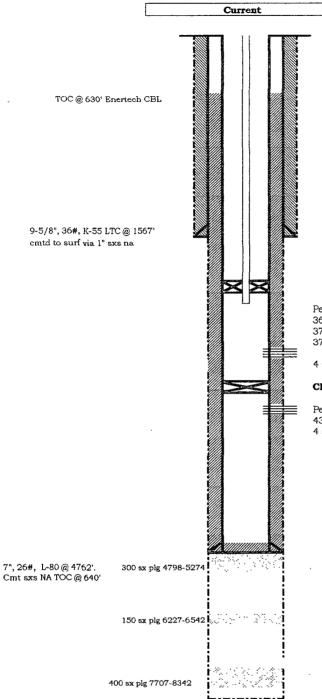
5. Lease Serial No NM-100524

6. If Indian, Allottee or Tribe Name

		to drill or to re-enter NPD) for such propo					
SUBMI	T IN TRIPLICATE – Other	r instructions on page 2.	7.	If Unit of CA/Agreen	ment, Name and/or No.		
1. Type of Well		OCT 072008					
Oil Well Gas W	ell			Well Name and No. lanco Fed #1			
Name of Operator Nadel and Gussman Permain L.L.C		OCU-ARIES!	9. 30	API Well No. 0-015-35553			
3a. Address		3b. Phone No. (include area	code) 10). Field and Pool or E	xploratory Area		
601 N. Marienfeld, Suite 508 Midland, Tx. 79701		432-682-4429	Li	Little Box Canyon (Upper Penn)			
4. Location of Well (Footage, Sec., T.,, UL D; 660 FNL and 1240' FWL S 26, T21S, R21E	R.,M., or Survey Description	1)		I. Country or Parish, S ddy, NM	State		
12. CHEC	K THE APPROPRIATE BO	OX(ES) TO INDICATE NAT	URE OF NOTICE,	REPORT OR OTHE	ER DATA		
TYPE OF SUBMISSION			TYPE OF ACTIO	N			
✓ Notice of Intent	Acidize	Deepen	Producti	ion (Start/Resume)	Water Shut-Off		
	Alter Casing	Fracture Treat	Reclama	ation	Well Integrity		
Subsequent Report	Casing Repair	New Construction	Recomp		Other		
Final Abandonment Notice	Change Plans Convert to Injection	Plug and Abandon Plug Back	Tempor: Water D	arily Abandon			
Attach the Bond under which the of following completion of the involve testing has been completed. Final determined that the site is ready for the strength of	red operations. If the operate Abandonment Notices must refinal inspection.) passe pkr and circ well w\9 @ 3660' and cap w\ 50' cm s 9-5/8" csg shoe from 16 630. Circ cmt between 7' oles \(\frac{1}{2} \) \(\frac{1} \) \(\frac{1}{2} \) \(\fra	ion results in a multiple comp be filed only after all required ppg fluid containing 25 sant. it. it?' tp 1517' and tag	letion or recompletionents, including records of salt gel per the completion of the	ion in a new interval, clamation, have been a clamation, have been will confident to the confidence of	a Form 3160-4 must be file completed and the operator	d once has	
Gerry Guye, Deputy NMOCD-Distric	Field Inspector t II ARTESIA	,			TIONS OF APP	ROVAI	
14. I hereby certify that the foregoing is t	rue and correct. Name (Printe	ed/Typed)				-	
Kem E. Mc	Cready	Title	MM. C/	ns. Man.	450+		
Signature Kom 9, m	realy	Date	9/17/08	3			
-	THIS SPACE	FOR FEDERAL OR	STATE OFFIC	CE USE /	APPROVED)	
Approved by						7 7	
		Title			Date OCT 4 2008		
Conditions of approval. if any, are attache that the applicant holds legal or equitable entitle the applicant to conduct operations	title to those rights in the subje				`		
Title 18 U.S.C. Section 1001 and Title 43	U.S.C. Section 1212, make it	a crime for any person knowing	ly and willfully to m	aske to any department	JAMES A. AMOS	s any false	

fictitious or fraudulent statements or representations as to any matter within its jurisdiction

Elev 4659', KB: 20 AGL'



PBTD @4,662' TD @ 8,400'

TBG Detail	GI.	QD	Length	Depth
		1	1 - 1	
	-			
			1	
2-7/8" tbg				3587.00
2.25 F on - off tool				
Baker Homet 10K pkr				3589.00
1 6° 2-7/8" sub				
2.25 FN napple				
1 6' 2-7\8" sub				
2.25 R nipple				
EOT				3612 00
		<u> </u>		
		 		
		 		

Perfs 3664-3702 38' 2 spf 76 holes 3708-3742 34' 2 spf 68 holes 3746-3772 26' 2 spf 52 holes

4 spf 80 holes 60 deg phasing

CIBP @ 4250' w\ 10' cmt on top

4334-4354

4 spf 80 holes 60 deg phasing

Manco Federal #1

SHL '660' FSL, 1240' FWL

TOC @ 630' Enertech CBL

API # 30 - 015 - 35553-0

UL D Sec 26, 213, 21E ,Eddy County, NM

Elev 4659', KB: 20 AGL'

Proposed

60' Surface plug.

50' cmt pug from 580-630 Sgz holes @ 630'

9-5/8", 36#, K-55 LTC @ 1567' cmtd to surf via 1" sxs na

100' cmt plug from 1517'-1617'

CIBP @ 3660' w\ 50' cmt on top

Perfs

3664-3702 38' 2 spf 76 holes 3708-3742 34' 2 spf 68 holes 3746-3772 26' 2 spf 52 holes

4 spf 80 holes 60 deg phasing

CIBP @ 4250' w\ 10' cmt on top

Perfs 4334-4354

4 spf 80 holes 60 deg phasing

7", 26#, L-80 @ 4762'. Cmt sxs NA TOC @ 640'

300 sx plg 4798-5274

150 sx plg 6227-6542

400 sx plg 7707-8342

PBTD @4,662' TD @ 8,400'

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 <u>ninety (90)</u> 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. <u>Notification:</u> 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. <u>Blowout Preventers</u>: 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. <u>Mud Requirement:</u> 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. <u>Cement Requirement</u>: 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. <u>Dry Hole Marker</u>: 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. <u>Subsequent Plugging Reporting:</u> 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. <u>Trash:</u> 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.