

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

## 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No NMLC-068712
2. Name of Operator Hanson Operating Company, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address P. O. Box 1515, Roswell, NM 88202-1515	3b. Phone No (include area code) 575-622-7330	7. If Unit or CA/Agreement, Name and/or No
4. Location of Well (Footage, Sec, T, R, M, or Survey Description) 990' FSL & 990' FWL, Section 11-17S-28E		8. Well Name and No. H & K Federal 2
		9. API Well No 30-015-26307
		10. Field and Pool, or Exploratory Area Redlake Queen / Grayberg
		11. County or Parish, State Eddy County, New Mexico

## 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 recomplate 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.)

The well is incapable of production in paying quantities. Propose to Plug and Abandon the well as follows:

- \* R.H. Tag CIBP @ 2195 + 20' cmt (6-15-90). Spd 25 sk on top or 2 sk DB
1. Set CIBP at 1500' with 35' cement cap.
  2. Circulate hole with 10 ppg brine and 12.5 ppb salt water gel.
  - \* 3. Pump 65 sack solid cement plug from 600' to surface. Perforate @ 600' circulate in/out
  4. Clean and restore location.
  5. Set Dry Hole Marker.

See attached Before and After Wellbore Diagrams.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Carol J. Smith

Title Production Analyst

Signature

Carol J. Smith

Date

01/29/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

Date

FEB 7 2009

JAMES A. AMOS

SUPERVISOR EPS

Title 18 USC Section 1001 and Title 43 USC 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)

Accepted for record  
NMOCD

# WELLBORE DIAGRAM

WELL NAME	H & K Federal #2	FIELD	Redlake Queen/GB/SA
LOCATION	990' FSL & 990' FWL, Section 11-17S-28E, Eddy County, NM		
GL	3647'	ZERO	KB
SPUD DATE	5/21/1990	COMPLETION DATE	6/26/1990
COMMENTS:	API #30-015-26307		

## CASING PROGRAM

8 5/8"	24#	524'
5 1/2"	14#	2250'

8 5/8" at 524' with 350 sacks cement circulated

## BEFORE

### Queen

Perfs: 1598'-1616' 19 holes

### Grayberg

Perfs: 2126'-2153' 19 holes

### San Andres

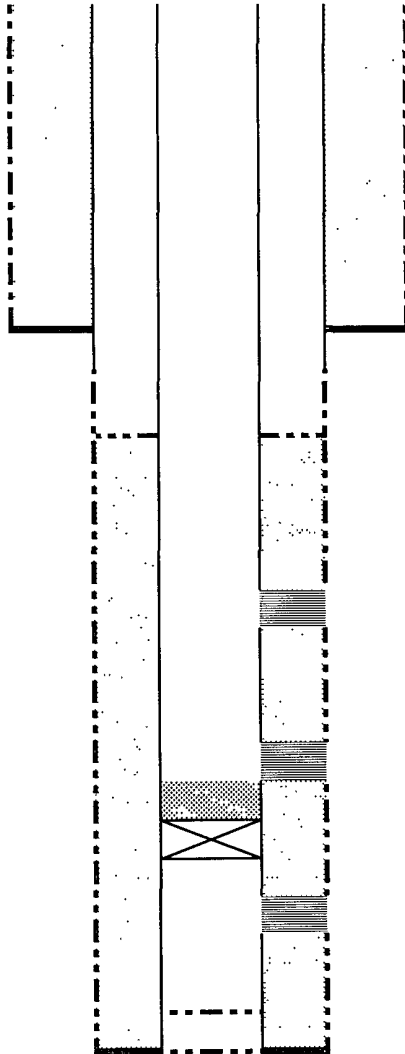
Perfs: 2201'-2209' 9 holes

5 1/2" at 2250' with 350 sacks cement

12 1/4" Hole

7 7/8" Hole

CIBP at 2195'  
with 35' Cement Cap



TD 2250'

Not to Scale  
1/29/2009

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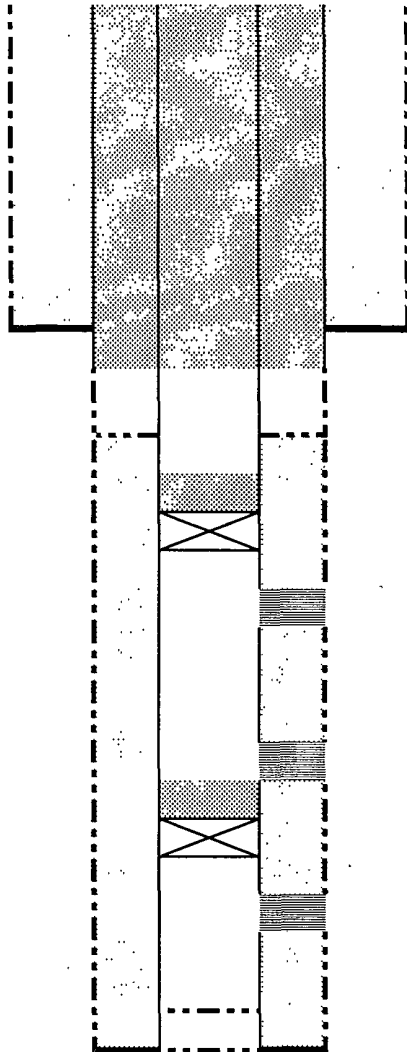
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65 Sack Cement  
Plug at 600'

CIBP at 1500'  
with 35' Cement Cap

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TD 2250'

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## AFTER

### Queen

Perfs: 1598'-1616' 19 holes

### Grayberg

Perfs: 2126'-2153' 19 holes

### San Andres

Perfs: 2201'-2209' 9 holes

5 1/2" at 2250' with 350 sacks cement

Not to Scale

1/29/2009

Accepted for record  
NMOCD

**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 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> 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.

**Accepted for record  
NMOCD**