

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

I&E - CFO

FORM APPROVED
OMB No 1004-0135
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or 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

NMDCO for CTO Management

3a. Address

3b. Phone No. (include area code)

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

660' FSL 660' FEL 12-T17S-27E

5. Lease Serial No.

NM 41655

6. If Indian, Allottee or Tribe Name

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

Red Lake

8. Well Name and No.

Scott Fed # 1

9. API Well No.

30-015-25437

10. Field and Pool, or Exploratory Area

EDDY CO, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ 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

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.)

- 1) CIBP @ 1150' W/ 255X on TOP
- 2) SPOT 355X from 344' To Surface
- 3) Install Dry hole Marker

* Cutt off well head 3' below ground level fill annulus from 50' - Surf.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Steel Pits Will be Used

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

Name (Printed/Typed)

Mark Hoskins

Title

Agent for NMDCO

Signature

Mark Hoskins

Date

3/30/09

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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 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

APPROVED

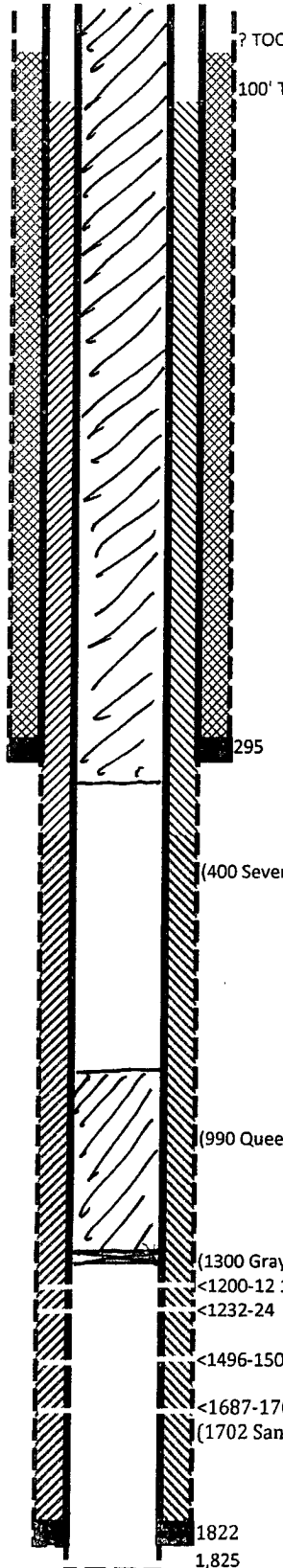
APR 2 2009

JAMES A. AMOS

Operator: C & D Management Company
 Surface Lease: NM41655
 Horiz Linked Lse No(s): N.A.
 Unit or CA No: N.A.

Well: Scott Federal #1
 API: 3001525437
 @ Srfce: T17S-R27E, Sec 12, 660FSL & 660FEL
 @ M TD: N.A.

KB@: 3507
 GL@: 3501
 Corr: 6



*Cut off WH. Cap
 Annulus 50'-surf.*

Tubing
 Work String, OD:
 Work String, Wt:
 Work String, ID:
 Wk Stg, ft/bbl:
 # Jts:
 Ft/Jt:

Srfc Hole, ID: 12 1/4
 Srfc Hole, ft/bbl: 6.8599
 Hole-Csg, ft/bbl: 13.6037
 Srf Csg, OD: 8 5/8
 Srf Csg, Wt: 24.00
 Srf Csg, ID: 8.0970
 Srf Csg, ft/bbl: 15.7015
 S Csg-P Csg, ft/bbl: 29.1525
 WS in S Csg, ft/bbl: 17.1796
 Cmt: 250sx, 75sx circ

344'-Surf

CTOC 900'

Cap CIBP w/ 25 sx cmt

CIBP @ 1150

Prod Hole, ID: 7 7/8
 Prod Hole, ft/bbl: 16.5993
 P Hole - WS, ft/bbl: 18.2601
 Hole - Csg, ft/bbl: 32.4065
 Prod Csg, OD: 5 1/2
 Prod Csg, Wt: 15.50
 Prod Csg, ID: 4.95
 Prod Csg, ft/bbl: 42.0126
 P Csg - WS, ft/bbl: 54.5764
 Cmt: 445sx

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 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 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.