# Form 3160-5 (April 2004)

# HOBBS OCD

**UNITED STATES** DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SEP 2 2 2011

FORM APPROVED OM B No 1004-0137 Expires. March 31, 2007

## 5 Lease Senal No

SUNDRY NOTICES AND REPORTS ON WELLS VED  Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.				NM94108, NM24490
				6 If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE- Other instructions on reverse side.				7. If Unit or CA/Agreement, Name and/or No
1. Type of Well				Red Hills North Unit
On Wello Gas Wello Other Water Injection				8 Well Name and No.
2 Name of Operator EOG Resources, Inc.				Red Hills North Unit #904  9 API Well No.
3a Address P. O. Box 2267, Midland, Texas 79702		3b Phone No (include area code) 432-686-3684		30-025-36237
				10 Field and Pool, or Exploratory Area
4 Location of Well (Footage, Sec., T, R, M, or Survey Description)				Red Hills, Bone Spring
S/L 1000 FNL & 1700 FWL, Sec 17, T25S, R34E / BHL 1088 FNL & 112 FWL, Sec 17, T25S, R34E			11 County or Parish, State	
				Lea, New Mexico
12. CHECK A	PPROPRIATE BOX(ES) TO	INDICATE N	ATURE OF NOTICE	REPORT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION			
	Acidize	Deepen	Production	(Start/Resume) Water Shut-Off
Notice of Intent	Alter Casing	Fracture Trea		, Indiana (1971)
✓ Subsequent Report	Casing Repair	New Constru	action Recomplet	
	Change Plans	Plug and Aba	andon Temporaril	y Abandon
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disp	oosal
If the proposal is to deepen dire Attach the Bond under which the following completion of the inv	ectionally or recomplete honzontall the work will be performed or proving the operations of the operation the operation of the operation the operation of the operation the operation of the operation of the operation the operation of the o	y, give subsurface de the Bond No. ( results in a multip	locations and measured at on file with BLM/BIA. Re le completion or recomple	of any proposed work and approximate duration thereof and true vertical depths of all pertinent markers and zones equired subsequent reports shall be filed within 30 days tion in a new interval, a Form 3160-4 shall be filed once iclamation, have been completed, and the operator has
MIRU POOH w/2-7/8" IP injection. Chart attached.	C tbg & pkr, repair packer. I	RBIH w/2-7/8" I	PC tbg & prk, set @ 1	1,297. Ran MIT to 500 psi, good test, return to
				ACCEPTED FOR RECO
SEE ATTACHED FOR				SEP 1 9 2011 /s/ JD Whitlock Jr
CONDITIONS OF APPROVAL			BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE	
14 I hereby certify that the fore Name (Printed/Typed)	going is true and correct	1		
Renee' Jarratt		Т	itle Cu Dogulotom, A.	1

which would entitle the applicant to conduct operations therein. 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.

 $\sqrt{\pi}$ HIS SPACE FOR FEDERAL OR STATE OFFICE USE

Date

Title

Office

08/09/2011

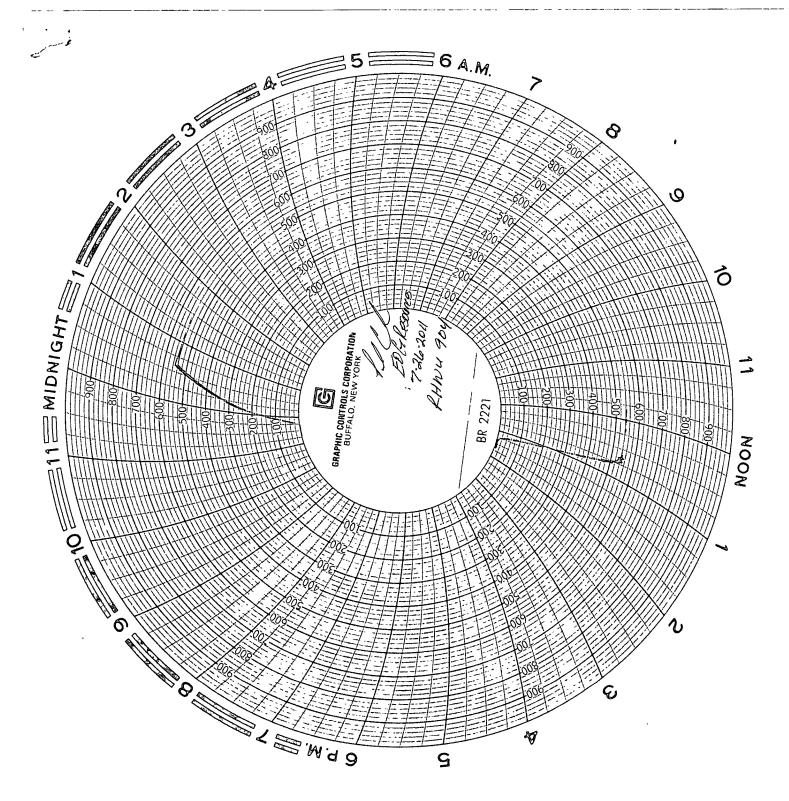
Date

(Instructions on page 2)

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

Signature





### **Conditions of Approval: Wells with Packers\***

#### EOG Resources, Inc. Red Hills North Unit #904 API 3002536237

September 14, 2011

- Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
  - a. The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with 200 psig differentials between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
  - b. Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
  - c. Notify Paul R. Swartz at 575-234-5985 and/or 575-200-7902 at least 24 hours before the test. If there is no response, notify the BLM on call drilling phone, 575-361-2822. In Lea County call 575-393-3612.
  - d. Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
  - e. Use of tubing internal protection, on/off tubing equipment just above the packer, and a profile nipple installation is required. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore work.
  - f. Submit the original subsequent sundry with three copies to BLM Carlsbad.
- 2. Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
  - a. Approved injection pressure compliance is required.
  - b. If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
  - c. When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum.
  - i. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
  - e. Other unexplained significant variations of rate or pressure to be reported within 5 days of notice.

- 3. The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity.
  - a. The annulus is to be maintained full of packer fluid at atmospheric pressure. Installation of equipment that will display on site, continuous open to the air fluid level is required. A BLM inspector may request verification of this fluid level at any time.
  - b. **Submit a subsequent report (Sundry Form 3160-5)** describing the installation of packer fluid level monitoring equipment within 30 days of this approval.
  - The operator shall keep monthly records documenting that the casing annulus is fluid filled.
     A suggested format for these records is available from the BLM Carlsbad Field Office.
     Copies of those records shall be furnished at the request of a BLM authorized officer.
  - d. Loss of packer fluid above five barrels per month requires notification of the BLM authorized officer within 5 days.
  - a. Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of Opsia. Notify the BLM's authorized officer (Paul R. Swartz at 575-200-7902). If there is no response, notify the BLM on call drilling phone, 575-361-2822. In Lea County call 575-393-3612.
  - e. Also submit to this office a (Sundry Form 3160-5) Notice of Intent (NOI) for approval by BLM and NMOCD with a detailed plan for correction and the anticipated date of correction. Verbal approval for the plan may be given by a BLM authorized officer, with the NOI filed within five business days.
  - f. : After the repairs submit a (Sundry Form 3160-5) Subsequent report, describing the repair(s) and Mechanical Integrity Test as per item 1 above.

<sup>\*</sup>COA's prepared by Paul R Swartz