

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OM B No. 1034-0137  
Expires March 31, 2007

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to **HOBBS**  
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 ☐ Other2. Name of Operator  
RMR Operating, LLC3a. Address  
415 W. Wall Street, Suite 1700, Midland, TX 797013b. Phone No. (include area code)  
432-682-0440

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

At Surface: Section 24, T26S, R34E 10 FSL and 500 FEL Unit P  
At proposed production zone: Section 24, T26S, R34E 330 FNL and 500 FEL Unit A

5. Lease Serial No.

NM 065441

6. If Indian, Ailotee or Tribe Name

N/A

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

8. Well Name and No.

Madera 24 Federal 2B

9. API Well No.

42-025-40277

10. Field and Pool, or Exploratory Area

Jabalina SW Delaware

11. County or Parish, State

Lea County, NM

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 checked="" 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 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 recomplete 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.)

In order to use a more conservative casing program for our first well in the area, RMR Operating proposes the following changes.

- Upgrade 13-3/8" surface casing from 48# H-40 STC to 13-3/8" 54.5# J-55 STC.
- Upgrade the upper 2000' of 9-5/8" casing string from 40# HCK-55 LTC to 40# N-80 LTC.
- Eliminate the 5-1/2" 17# HCP-110 BTC full string and replace it with 7" 26# P-110 LTC 2nd intermediate casing and a 4-1/2" 11.6# P-110 BTC production liner.
- Change the hole size in the curve and lateral from 8-3/4" to 6-1/8".

Continued on a separate page.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Donna Stratton

Signature

Title Regulatory Clerk

Date

APPROVED

10/10/2011

OCT 19 2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Title

Office

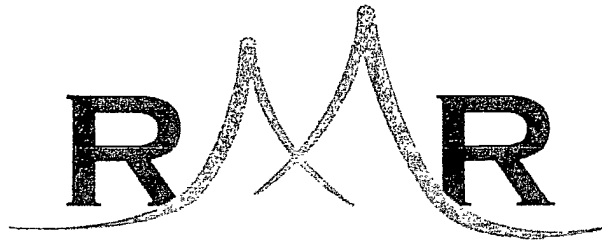
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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.

(Instructions on page 2)

OCT 25 2011



## Sundry Notice Continued

The casing program we propose is as follows (as a minimum):

Casing Size	Hole Size	From – To	Weight	Grade	Connection	Condition
13-3/8"	17-1/2"	0' – 1110'	54.5#	J-55	STC	New
9-5/8"	12-1/4"	0' – 2000'	40#	N-80	LTC	New
9-5/8"	12-1/4"	2000' – 5340'	40#	HCK-55	LTC	New
7"	8-3/4"	0' – 8433'	26#	P-110	LTC	New
4-1/2"	6-1/8"	8333' – 13747'	11.6#	P-110	BTC	New

Casing Size	Collapse Rating, psi	Safety Factor	Burst Rating, psi	Safety Factor	Tension Rating, Klbs	Safety Factor
13-3/8"	1130	2.2	2730	1.1	514	9.9
9-5/8"	3090	3.3	5750	1.3	737	4.0
9-5/8"	4230	1.7	3950	1.1	561	4.9
7"	6230	1.5	9960	2.3	693	3.1
4-1/2"	7580	1.8	10690	10+	367	20+

Cement program will remain the same with the following exceptions:

- Cementing of the 5-1/2" casing will of course be eliminated.
- The kickoff plug will be included in the cementing of the 7" casing.
- The 7" casing will be cemented with 800 sx Interfill Class H + additives lead slurry with yield of 2.77 ft<sup>3</sup>/sk, and 500 sx Super Class H + additives tail slurry with yield of 1.61 ft<sup>3</sup>/sk. Cement top will be placed 500' above 9-5/8" casing shoe. Will cement below 7" casing via 2-7/8" fiberglass tubing stinger to adequately plug back vertical pilot hole after logging and prior to drilling curve and lateral. May perform 2-stage job with DV tool if determined necessary to circulate cement to surface.
- On the 4-1/2" liner, plan to use a Peak-type completion liner system from RSB packer at 8333' to TD of 13747' MD. No cement will be required.

415 W. Wall Street, Suite 1700 \* Midland, TX 79701

PH: 432-682-0440 \* FAX: 432-682-0441

**Madera 24 Federal 2H  
RMR Operating LLC  
42-025-40277  
19 Oct 2011  
Conditions of Approval**

**SUMMARY OF CURRENT STATUS:**

- APD approved 10/9/2011
- Jabalina SW: Delaware completion, horizontal well.
- Pilot Hole to 9250', Drainhole TVD at 9010'.
- Key TVD Estimated Formation Tops from Operator:

Rustler	1040'
Salado	1250'
Base Salt	5025'
Delaware Group	5340'
Bell Canyon	5380'
Cherry Canyon	6595'
Brushy Canyon	7820'
KOP	8533' MD, TVD
DHEP & DHTD	9010' TVD
Pilot Hole TD	9250' TVD
- 19 Oct 2011 – Operator requests priority for process of this sundry for logistical reasons.

**CURRENT SUNDRY REQUEST:**

Revise casing and bit programs for the well as follows:

<u>ORIGINAL</u>	<u>CSG</u>	<u>REVISED</u>	<u>CSG</u>
<u>BIT</u>	<u>CASING</u>	<u>BIT</u>	<u>CASING</u>
17-1/2"	13-3/8" 48# H-40 STC	17-1/2"	13-3/8" 54.5# J-55 STC
12-1/4"	9-5/8" 40# HCK-55 LTC	12-1/4"	9-5/8" 40# N-80 LTC
		12-1/4"	9-5/8" 40# HCK-55 LTC
8-3/4"	5-1/2" 17# HCP-110 BTC	8-3/4"	7" 26# P-110 LTC
		6-1/8"	4-1/2" 11.6# P-110 BTC

**NOTES:**

NO CHANGES INDICATED IN MUD PROGRAM.

NO CHANGES INDICATED IN CEMENT JOB FOR 9-5/8" CASING.

PILOT HOLE PLUG TO BE SET USING FIBERGLASS TUBING STINGER.

NO CHANGES INDICATED TO PILOT HOLE PLUG DESIGN.

7" CASING CEMENT JOB IS 1 STAGE, WITH 2 STAGE ALTERNATIVE.

TOC FOR 7" CASING IS PLANNED FOR 4840' (500' ABOVE 9-5/8" SHOE).

4-1/2" LINER IS PEAK-TYPE COMPLETION AND NO CEMENT TO BE REQUIRED.

4-1/2" LINER TO HAVE 100' LAP WITH RSB PACKER AT 8333'.

SAFETY FACTORS FOR REVISED CASING PLAN ARE PROVIDED BY OPERATOR AS FOLLOWS:

<u>CASING</u>		<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSION</u>
13-3/8"	J-55	2.2	1.1	9.9
9-5/8"	N-80	3.3	1.3	4.0
9-5/8"	HCK-55	1.7	1.1	4.9
7"	P-110	1.5	2.3	3.1
4-1/2"	P-110	1.8	10+	20+

**CONDITIONS OF APPROVAL:**

- a) **Original APD and COA are still applicable.**
- b) **Casing Condition:** All casing and casing related equipment is confirmed to be new.
- c) **Cementing:** Should a two stage job be utilized on the 7" casing, then a sundry Notice of Intent must be provided to the BLM for advance approval. Sundry to include setting depth of the DV tool, setting depth of the ECP if utilized, and the stage cementing slurry designs and volumes and yield per Onshore Order 1.III.3.e and Onshore Order 2.III.B.
- d) **RSB packer** and un-cemented 4-1/2" peak system in 6-1/8" hole are approved.
- e) **Subsequent Report Sundry:** Subsequent sundry to be filed detailing all work done. Sundry Notices must contain an original and 3 (three) copies including all attachments. (Please staple the Sundry Notice and Attachments together as sets.)
- f) **Completion Report:** to be sent within 30 days of completion and contain an original and 4 (four) copies including all attachments. (Please staple the well completion report and attachments together as sets.) **NOTE:** The Subsequent Report Sundry and the Completion Report may be submitted at the same time, but shall not be attached to each other.

TMM 10/19/2011