

HOBBS OCD

OCD-HOBBS

Form 3160-5

(August 2007)

FEB 17 2012

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED

OMB No. 1004-0137

Expires July 31, 2010

**RECEIVED** 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.

5 Lease Serial No.

NMLC071985, NMNM27509

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1 Type of Well

☒ Oil Well☐ Gas Well☐ Other

2 Name of Operator

MANZANO, LLC

3a Address

P O BOX 2017, ROSWELL, NM 88202-2107

3b Phone No. (include area code)

575-623-1996

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

8. Well Name and No.

Battle Axe Federal

9 API Well No.

30-025-40192

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

SURF: 400 FSL &amp; 1980 FEL, SEC 34-T26S-R32E

10 Field and Pool or Exploratory Area

WILDCAT-BONESPRINGS

11 Country or Parish, State

LEA, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☒ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Subsequent Report☐ Casing Repair☐ New Construction☐ Recomplete☐ Other☐ Final Abandonment Notice☐ Change Plans☐ Plug and Abandon☐ Temporarily Abandon☐ Convert to Injection☐ Plug Back☐ 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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Request to change 13 3/8" casing depth from 650' to 750' to cover the potential lost circulation zone in the red bed at 700'. Salt section is at 850'. 13 3/8", 48# H40 or J55 (dependant upon availability) ST&C. Cement would be: 400 sks BJ Lite Class "C" (35:65:4) w/ 5% Salt, 2.5 SMS, 5% MPA5, 1/8#/sk Cello Flake & 5#/sk LCM1 (yd @2.15 cuft/sk @12.5 PPG). Tail w/ 200 sks Class "C" w/ 2% CaCl2 (yd @1.34 cuft/sk @ 14.8 PPG). Using 100% percent excess. A fluid caliper will be run to determine cement volume. Cement to surface.

Request to change 9 5/8" casing depth from 4400' to 4600' to cover the potential lost circulation zone in the top of the Delaware zone between 4410'-4470'. 9 5/8" casing will be 36# and 40# J-55 LT&C. Cement would be: 1200 sks BJ Lite Class "C" (35:65:4) w/ 5# sk LCM 1 & 1/4 #/sk celloflake (yd @2.13 cuft/sk @ 12.5 PPG). Tail w/ 200 sks Class "C" Neat (yd @ 1.33 cuft/sk @ 14.8 PPG). Using 100% excess in the open hole and 25% excess in the cased hole. A fluid caliper would be run prior to running casing and cement would be brought to surface. In the event of severe lost circulation a DV tool would be run at 4100' and the casing cemented in 2 stages. The first stage would consist of 300 sx of Class C w/ 5 # LCM and 1/4# celloflake (1.32 cuft/sk). Circulate 4 hrs and cement 2cd stage with 1000 sks BJ Lite Class "C" (35:65:4) w/ 5# sk LCM 1 & 1/4 #/sk celloflake (yd @2.13 cuft/sk @ 12.5 PPG) and 200 sks Class C w/2% CaCl2

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Paul Ragsdale

Title Engineer

Signature

Date 01/30/2012

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

(Instructions on page 2)

APPROVED

Date FEB 14 2012

/s/ Chris Walls

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

## PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	MANZANO LLC
LEASE NO.:	NM27509
WELL NAME & NO.:	1H BATTLE AXE FEDERAL
SURFACE HOLE FOOTAGE:	400' FSL & 1980' FEL (Sec. 34)
BOTTOM HOLE FOOTAGE:	330' FNL & 1980' FEL (Sec. 27)
LOCATION:	Section 34, T. 26 S., R. 32 E., NMPM
COUNTY:	Lea County, New Mexico

### A. CASING

**Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.**

**Centralizers required on surface casing per Onshore Order 2.III.B.1.f.**

**Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.**

**No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.**

**Possible lost circulation in the Red Beds, Delaware and Bone Spring.  
Possible water flows in the Salado, Castile, Delaware and Bone Spring.**

1. The 13-3/8 inch surface casing shall be set at **approximately 750 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt)** and cemented to the surface. **If salt is encountered set casing 25 feet above the top of salt.**
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

- b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.

**Contingency Multi-stage Cement Plan:**

- a. First stage to DV tool:
    - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
  - b. Second stage above DV tool:
    - ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.
3. The minimum required fill of cement behind the **7** inch production casing is:
- ☒ Cement should tie-back into previous casing string, top of cement at least 3000 feet. Operator shall provide method of verification.
4. Cement not required on the **4-1/2** inch production liner. **Packer system will be utilized.**
5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

**CRW 021412**