

FEB 07 2012

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPROVED
1625 N. French Drive
Hobbs, NM 88240
OMB No. 1004-0137
Expires: July 31, 2010

RECEIVED
DNDRY 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 page 2.

1. Type of Well

☒ Oil Well☐ Gas Well☐ Other2. Name of Operator
EOR Operating Co

3a Address
200 N. Loraine, STE 1440
Midland, TX 79701

3b Phone No. (include area code)
432-687-0303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FNL & 1980' FWL
Sec. 13, T-08S, R-34E

5. Lease Serial No.
NMCL062178

6 If Indian, Allottee or Tribe Name

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

8. Well Name and No
#510

9 API Well No.
30-041-00259

10. Field and Pool or Exploratory Area
Milnesand, San Andres

11. Country or Parish, State
Roosevelt Co, NM

12 CHECK THE 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 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.)

EOR Operating Co. requests approval to plug and abandon this well according to attached proposed procedure and wellbore diagram.

EOR will contact BLM 24 hours prior to the beginning of plugging operations.

APPROVED FOR 3 MONTH PERIOD
ENDING APR 30 2012

BUREAU OF LAND MANAGEMENT
ROSWELL OFFICE

2012 JAN 23 AM 9:36

RECEIVED

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

Jana True

Title Prod. Analyst

Signature

Date 01/20/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

JAN 31 2012

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.

Office

ROSWELL 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)

CONDITIONS OF APPROVAL

FEB 20 2012



Plugging Procedure
Milnesand Unit #510
API No. – 30-041-00259

1. Prepare location and test anchors
2. MIRU plugging rig
3. Notify OCD/BLM 24 hours prior to commencement of P & A procedure.
4. NDWH/NU BOP
5. Load well with a minimum of 9 lb. mud and conduct MIT to 500 psi. , test for leak off.
 - a. Bleed pressure off after MIT.
6. MIRU WL and RIH w/perf gun to 3000'
 - a. perforate @ 2 JSPF
 - b. POOH w/WL
 - c. RDWL
7. TIH w/WS – Squeeze 50 SX cement plug @ 3000' to 2900' (+/-)
 - a. Wait on cement
 - b. Tag plug @ 2900' or above.
8. MIRU WL and RIH w/perf gun to 1450'
 - a. perforate @ 2 JSPF
 - b. POOH w/WL
 - c. RDWL
9. TIH w/WS – Squeeze 50 SX cement plug @ 1450' to 1350'
 - a. Wait on cement
 - b. Tag plug @ 1350' or above
10. MIRU WL and RIH w/perf gun to 500'
 - a. perforate @ 2 JSPF
 - b. POOH w/WL
 - c. RDWL
11. TIH w/WS – Squeeze 50 SX cement plug @ 500' to 400'
 - a. 10 3/4 csng. Shoe @ 441'
 - b. Wait on cement
 - c. Tag plug
12. TIH to tag plug @ 60' or above
 - a. Perforate @ 60'
 - b. Squeeze 35 SX and circulate to surface to have solid plug from 60' to surface
13. RDMO Plugging Rig
 - a. Install P & A marker plate
 - b. Cut off dead men
 - c. Remediate Location

Co. Rep	0	Well No.	510
Well Name	Milnesand Unit		
Field	MSAU		
County	Roosevelt		
State	NM		
Date	1/0/1900		
Date Comp			
KB	0.00		

Description	O.D.	Grade	Weight	Depth	Cmt Sx	TOC
Surface Csg	8 5/8	0	24	371	250	Surface
Inter Csg	0	0	0	0	0	0
Prod Csg	4 1/2	0	9 1/2	4669	200	0
Liner O.D.	0	0	0	0	0	0

Failure Analysis

Lease	Milnesand Unit	Well #	510	Field	MSAU
Well Test Data	BOPD	BWPD		MCF	
Unit Name & Size					
Perforations	4577-4620				
TBG Data	Pump Size				
Strokes Per. Min.	Stroke Length		Seat Nipple		
Tension	Rods String	Taper 1	Taper 2		
TAC	Rod Grade	Taper 3	Taper 4		
Predictive Load	Actual Load				
LIST DATES, REASON FOR FAILURES & MEASURES TAKEN TP PREVENT SAID FAILURES & NON FAILURE PULLS.					
Spud - 4/6/1962					
Drilling Completed - 4/17/1962					
Well has been					
Well file indicates CIBP @ 4500' with 3 sacks of cement on top					
Also, well file indicates that P1 has never been produced					
Casing leak from 1284 to 1315					
Bottom leak from 3125 to 3157					
Casing leak from 1623 to 1870					
Well needs to be P & A'd					
LIST ANY RECOMMENDATIONS TO PREVENT FUTURE FAILURES OR ANY COMMENTS ON WELL CONDITIONS THAT WILL CONTRIBUTE TO FAILURES.					

Perforations

4577-4580 / 4584-4587 / 4591-4593 / 4602-4605 / 4616-4620
0

PBTD @ 4666

ETD @ 0

TD @ 4700

sqz 25 sx
60' to surface

sqz 40 sx
400 to 300'

sqz 40 sx
1450 to 1350'

sqz 40 sx
3000' to 2900'

3 sx=35'
CIBP @ 4500'

Tagged @ 1230'

Casing Leak
after squeeze

Drilled out to
1311'

Pumped 150 Sx

Fell out @ 1480'

Did not test

Csng leak

1620-1780

Csn leak @

3025-3056

Spot 2-1/2 Sx

at 3180'

3 sx=35'
CIBP @ 4500'

**BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(575) 627-0272**

**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 the BLM Roswell Field Office (RFO), prior to the 90th day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action. Unless the well has been properly plugged, the rig shall not be removed from over the hole without prior approval.**

2. Notification: Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

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 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a 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 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 cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet 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 class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. Monument: Upon abandonment of the well, 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 covered with a metal plate at least ¼ inch thick and welded in place. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter 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 the BLM Roswell Field Office. 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.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.