

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTOCD Hobbs  
HOBBS OCDFORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

## SUNDRY NOTICES AND REPORTS ON WELLS MAR 20 2012

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 reverse side. RECEIVED

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator  
Nearburg Producing Company3a. Address  
3300 N. A. St. Bldg. 2 Ste. 120 Midland TX. 797053b. Phone No. (include area code)  
915-686-82354. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1900 FSL & 1650 FEL SEC 3 T20S & R33E5. Lease Serial No  
NMNM 17238

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No  
Python 3 Fed. # 19. API Well No.  
30-025-3487210. Field and Pool, or Exploratory Area  
East Com Marrow Teas Delaware11. County or Parish, State  
LEA NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 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 checked="" 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 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. Set CIBP at 6,410 Rih. Tbg. to 6,410 Circulate hole mud laden fluid Cap with 25 sx. cmt.
2. Tbg. at 3,895 Spot 25 sx. cmt. 3976-3895 WOC Tag
3. Tbg. at 3,720 Spot 45 sx. cmt. WOC & Tag. 3280-1245 (Solid Plug, R-III-A)
4. Tbg. at 1600 Spot 25 sx. cmt. WOC & Tag.
5. Tbg. at 1345 Spot 45 sx. cmt. WOC & Tag.
6. Tbg. at 300 Spot 25 sx. cmt.
7. Tbg. at 60 Spot 15 sx. cmt. 60' to 3'
8. Clean location install dry hole marker.

RECLAMATION PROCEDURE  
ATTACHEDSEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Ground Level Dry Hole Marker  
R-III-P (Potash) Solid Plug then Salt Section

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

Gary Eggleston

Title Agent

Signature

Date

2-25-12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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)

MAR 29 2012

## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13* - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

## NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

**PRINCIPAL PURPOSE:** The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

**ROUTINE USES:** Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

**EFFECT OF NOT PROVIDING THE INFORMATION:** Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

## BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

# CURRENT WELLBORE DIAGRAM

LEASE: <u>Python 3 Federal</u>	WELL: <u>1</u>	FIELD: <u>Teas</u>	API: <u>30-025-34872</u>
LOC: <u>1900 FSL &amp; 1650 FEL</u>	SEC: <u>3</u>	BLK: <u></u>	Reservoir: <u>Delaware</u>
SVY: <u>T20S R33E</u>	GL: <u>3580</u>	CTY/ST: <u>Lea Co., NM</u>	SPUD: <u>1/18/2000</u>
CURRENT STATUS: <u>Shut-In</u>	KB: <u>3596</u>	DF: <u></u>	TD DATE: <u>2/12/2000</u>
			COMP. DATE: <u>3/14/2000</u>

FRESH WATER  
DEPTH:

HOLE SIZE: 17-1/2  
SURF CSG & SIZE: 13-3/8 - 61&68# K55  
SET @: 1295  
SXS CMT: 1000  
CIRC: 180 sx.  
TOC AT: Surf  
TOC BY: Circ

## \*\*\*\*\*GEOLOGY\*\*\*\*\*

TOPS OF ALL ZONES  
PRODUCTIVE OF HYDRO-  
CARBONS:

TBG:  
JTS:  
SN:  
TAC:  
ROD SIZE:

HOLE SIZE: 12-1/4  
INT. CSG & SIZE: 8-5/8 - 24&32# J55  
SET @: 3230  
SXS CMT: 909  
CIRC: 145 sx.  
TOC AT: Surf  
TOC BY: Circ

## CURRENT PERFS:

PKR:  
TYPE:

## SQUEEZE JOBS:

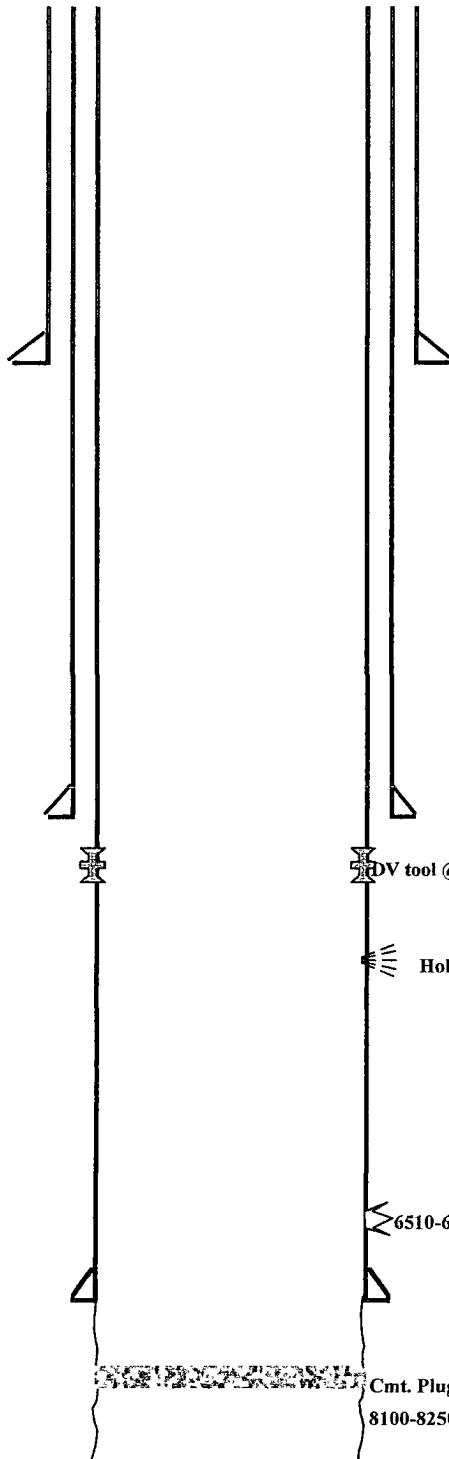
OH ID:  
COTD:  
PBTD: 6653  
TD: 9720

HOLE SIZE: 7-7/8  
PROD. CSG & SIZE: 5-1/2 - 17# J55 & N80  
SET @: 6698  
SXS CMT: 1st stg: 910 sx, 2nd stg: 370 sx  
CIRC: 40 sx on 2nd stg.  
TOC AT: Surf  
TOC BY: Circ

OPEN HOLE:

LINER:

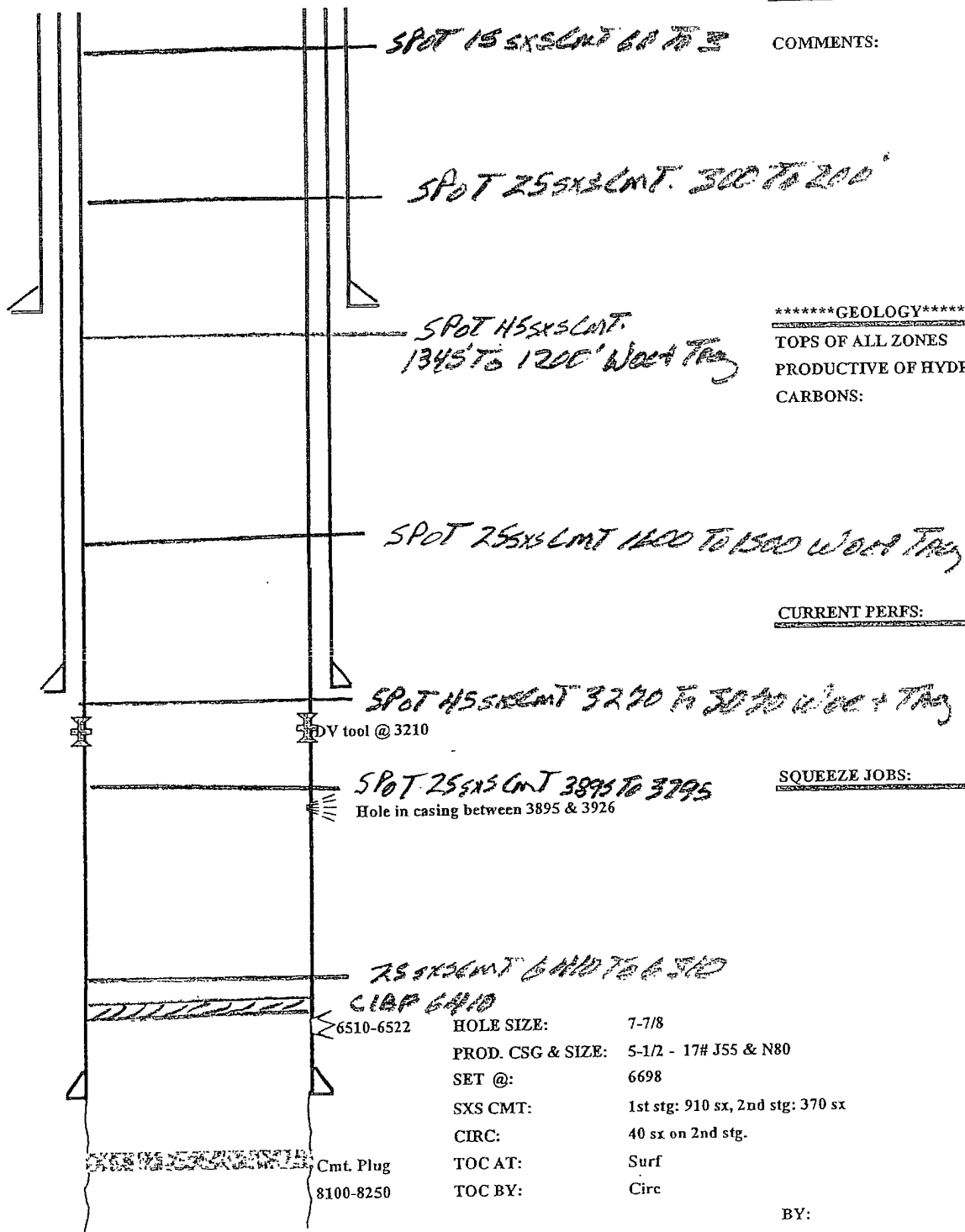
BY:  
2/21/2012



# CURRENT WELLBORE DIAGRAM

LEASE: Python 3 Federal	WELL: 1	FIELD: Teas	API: 30-025-34872
LOC: 1900 FSL & 1650 FEL	SEC: 3	BLK:	Reservoir: Delaware
SVY: T20S R33E	GL: 3580	CTV/ST: Lea Co., NM	SPUD: 1/18/2000
CURRENT STATUS: Shut-In	KB: 3596	DF:	TD DATE: 2/12/2000
			COMP. DATE: 3/14/2000

FRESH WATER  
DEPTH:



COMMENTS:

\*\*\*\*\*GEOLOGY\*\*\*\*\*  
TOPS OF ALL ZONES  
PRODUCTIVE OF HYDRO-  
CARBONS:

CURRENT PERFS:

SQUEEZE JOBS:

TBG:  
JTS:  
SN:  
TAC:  
ROD SIZE:  
PKR:  
TYPE:

OH ID:  
COTD:  
FBTD: 6653  
TD: 9720

HOLE SIZE: 7-7/8  
PROD. CSG & SIZE: 5-1/2 - 17# J55 & N80  
SET @: 6698  
SXS CMT: 1st stg: 910 sx, 2nd stg: 370 sx  
CIRC: 40 sx on 2nd stg.  
TOC AT: Surf  
TOC BY: Circ

BY:  
2/21/2012

OPEN HOLE:

LINER:

Nearburg Producing Co.

Pythian 3 Feb 1

3002534972

Sec. 3 20S-33E NWS E

1900 FSL & 1650 FEL

17 1/2" Hole

600' - surf

R-III-P ✓

1000 SX  
Circ

300-200  
NOT REG.

Capitan

Rustler 1356

13 3/8" KSS

1295

S  
O  
L  
I  
D

Yates 3390

12 1/4" hole

7-Rivers 3582

909 SX  
Circ.

P  
L  
U  
G

Delaware 5002

Bone Spring 8172

8 5/8" J-S-S

3230'

DVT @ 3210

3280 - 1245

WOC Tag

Hole in Cap

3895 - 3926

7 1/8" hole

3976 -

3845 WOC Tag

1280 SX

Circ. 2 stage

cap. w/ 25 SX cont  
CEBA 6410

Pec FS 6510 - 6522

5 1/2" N-80

6698

PBTD 6653

T.O. 6720

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 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> 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.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may 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 BOP must be installed and maintained as per API and manufacturer recommendations. 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 brine 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. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), 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. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

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 BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10<sup>th</sup> day, the BLM is to be contacted with justification to receive an extension for completing the cut off.

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). 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 three 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 will be required. See attached reclamation procedure.

J. Amos 3/6/11

Requirements for ground level dry hole markers  
Well Identification Markers  
Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.
2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum 1/4 inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.
3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.
4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.
  - a. First row: Operators name
  - b. Second row: Well name and number
  - c. Third row: Legal location to include 1/4 1/4, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the 1/4 1/4 (example: 1980 FNL 1980 FWL) being on the top row.
  - d. Fourth row: Lease Number and API number.
    - i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a ground level dry hole marker was installed as required in the COA's from the BLM.





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, New Mexico 88220-6292  
[www.blm.gov/nm](http://www.blm.gov/nm)



In Reply Refer To: 1310

### Reclamation Objectives and Procedures

**Reclamation Objective:** Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos  
Supervisory Environmental Protection Specialist  
575-234-5909, 575-361-2648 (Cell)

Cody Layton  
Natural Resource Specialist  
575-234-5959

Terry Gregston  
Environmental Protection Specialist  
575-234-5958

Trishia Bad Bear  
Natural Resource Specialist  
575-393-3612

Bobby Ballard  
Environmental Protection Specialist  
575-234-2230

Todd Suter  
Surface Protection Specialist  
575-234-5987

Randy Rust  
Natural Resource Specialist  
575-234-5943

Doug Hoag  
Civil Engineering Technician  
575-234-5979

Linda Denniston  
Environmental Protection Specialist  
575-234-5974

Tanner Nygren  
Natural Resource Specialist  
575-234-5975

Jennifer Van Curen  
Environmental Protection Specialist  
575-234-5905

John Fast  
Natural Resource Specialist  
575-234-5996

Justin Frye  
Environmental Protection Specialist  
575-234-5922