

HOBBES OGD

JUN 14 2012

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires October 31, 2014**RECEIVED**
NOTICE OF PROPOSAL
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
NMCL062178

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2 Name of Operator
EOR Operating Company3a Address
200 N Loraine, STE 1440
Midland, TX 797013b Phone No (include area code)
432-687-03034 Location of Well (Footage, Sec., T., R., M., or Survey Description)
660 FNL & 660 FWL
Sec. 13, T - 08S, R - 34E7 If Unit of CA/Agreement, Name and/or No
Milnesand Unit8 Well Name and No.
5119 API Well No.
30-041-0025710 Field and Pool or Exploratory Area
Milnesand - San Andres11. County or Parish, State
Roosevelt

12 CHECK THE 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 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 recompletable 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 recompletable 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 Company requests approval to plug and abandon this well according to the attached proposed procedure and wellbore diagram.

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

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

Jana True

Title Regulatory Mgr

Signature

Date 06/05/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Date

JUN 07 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 the minerals 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 U.S. fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

APPROVED FOR 6 MONTH PERIOD
ENDING SEP 07 2012SEE ATTACHED FOR
CONDITIONS OF APPROVAL

JUN 18 2012



Plugging Procedure
Milnesand Unit #511
API No. – 30-041-00257

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. RIH w-4 ½ CIBP on 2 3/8 WS @ 4500' (+/-) – within 100' of top perf – 4589'
 - a. Spot 35' of cement on CIBP
 - b. WOC – bump plug @ 4465' (+/-)
6. 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.
7. MIRU WL and RIH w/perf gun to 3465'
 - a. perforate @ 2 JSPF
 - b. POOH w/WL
 - c. RDWL
8. TIH w/WS – Squeeze 40 SX cement plug @ 3465' to 3365' (+/-)
 - a. Wait on cement
 - b. Tag plug @ 3365' or above.
9. MIRU WL and RIH w/perf gun to 2465'
 - a. perforate @ 2 JSPF
 - b. POOH w/WL
 - c. RDWL
10. TIH w/WS – Squeeze 40 SX cement plug @ 2465' to 2365'
 - a. Wait on cement
 - b. Tag plug @ 2365' or above
11. MIRU WL and RIH w/perf gun to 1465'
 - a. perforate @ 2 JSPF
 - b. POOH w/WL
 - c. RDWL
12. TIH w/WS – Squeeze 40 SX cement plug @ 1465' to 1365'
 - a. Wait on cement
 - b. Tag plug @ 1365' or above
13. MIRU WL and RIH w/perf gun to 400'
 - a. 8 5/8 csng. Shoe @ 374'
 - b. perforate @ 2 JSPF
 - c. POOH w/WL
 - d. RDWL
14. TIH w/WS – Squeeze 40 SX cement plug @ 400' to 300'
 - a. Wait on cement
 - b. Tag plug
15. TIH to tag plug @ 300' or above
 - a. Perforate @ 60'
 - b. Squeeze 25 SX and circulate to surface to have solid plug from 60' to surface
16. RDMO Plugging Rig
 - a. Install P & A marker plate
 - b. Cut off dead men
 - c. Remediate Location

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. **Timing Limitation Lease Stipulation / Condition of Approval For Lesser Prairie-Chicken:** Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1 through June 15 annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D seismic operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

8. **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.