New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

Form 3160-5 HOBBS OCD
(March 2012)

JUL 11 2012

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

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.

SUBMIT IN TRIPLICATE *– Other instructions on page 2.*

1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other	5 Lease Serial No. NMNM044701C
	6. If Indian, Allottee or Tribe Name
	7. If Unit of CA/Agreement, Name and/or No
	8. Well Name and No. Federal 19 #2
2 Name of Operator Ridgeway Arizona Oil Corp	9 API Well No 30-041-10236
3a Address 200 N. Loraine, STE 1440 Midland, TX 79701 3b Phone No *(include area code)* 432-687-0303	10. Field and Pool or Exploratory Area Chaveroo-San Andres
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)* 660 FSL & 660 FEL Sec 19, T. - 07S, R. - 33E Unit P	11 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			
☑ 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 _____
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	_____
☐ Final Abandonment Notice	☐ 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 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 must 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 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)

In response to INC 12RH48I:

Ridgeway Arizona Oil Corp requests approval to plug and abandon this well accordin to the attached proposed procedure and wellbore diagram.

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

RECEIVED
2012 JUN 29 PM 2 16
BUREAU OF LAND MGMT
ROSWELL, OFFICE

APPROVED FOR 3 MONTH PERIOD
ENDING OCT 02 2012

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

Title Mgr - Regulatory

Signature Jana True

Date 06/27/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date JUL 02 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. CC 7/2-2012

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)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Plugging Procedure
Federal 19 #2
API No. – 30-041-10236

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 @ 4146' (+/-) – within 100' of top perf – 4221'
    a. Spot 35' of cement on CIBP
    b. WOC – bump plug @ 4111' (+/-)
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 3111'
    a. perforate @ 2 JSPF
    b. POOH w/WL
    c. RDWL
8. TIH w/WS – Squeeze 40 SX cement plug @ 3111' to 3011' (+/-)
    a. Wait on cement
    b. Tag plug @ 3011' or above.
9. MIRU WL and RIH w/perf gun to 2111'
    a. perforate @ 2 JSPF
    b. POOH w/WL
    c. RDWL
10. TIH w/WS – Squeeze 40 SX cement plug @ 2111' to 2011'
    a. Wait on cement
    b. Tag plug @ 2011' or above
11. MIRU WL and RIH w/perf gun to 1111'
    a. perforate @ 2 JSPF
    b. POOH w/WL
    c. RDWL
12. TIH w/WS – Squeeze 60 SX cement plug @ 1111' to 961'
    a. Wait on cement
    b. Tag plug @ 961' or above
13. MIRU WL and RIH w/perf gun to 400'
    a. perforate @ 2 JSPF
    b. 8 5/8 Surface Casing Shoe @ 349'
    c. POOH w/WL
    d. Squeeze 60 SX cement from 400' to 250' (+/-)
14. MIRU WL and RIH w/perf gun to 60'
    a. perforate @ 2 JSPF
    b. POOH w/WL
    c. RDWL
15. TIH w/WS – Circulate cement plug from 60' to surface
    a. Wait on cement
    b. Cut off well head
16. RDMO Plugging Rig
    a. Install P & A marker plate
    b. Cut off dead men
    c. Remediate Location

Co. Rep	0
Well Name	Federal 19
Field	Chaveroo
County	Roosevelt
State	NM
Date	1/0/1900
Date Comp	
KB	0.00

Well No 2

Description	O.D.	Grade	Weight	Depth	Cmt Sx	TOC
Surface Csg	8 5/8	0	24	349	175	Surface
Inter Csg	0	0	0	0	0	0
Prod Csg	5 1/2	0	9 1/2	4608	275	Unknown
Liner O.D.	0	0	0	0	0	0

Failure Analysis

Lease	Federal 19		Well #	2	Field	Chaveroo	
Well Test Data	BOPD		BWPD		MCF		
Unit Name & Size							
Perforations							
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	
Predicitive Load			Actual Load				

LIST DATES, REASON FOR FAILURES & MEASURES TAKEN TP PREVENT SAID FAILURES & NON FAILURE PULLS.

LIST ANY RECOMMENDATIONS TO PREVENT FUTURE FAILURES OR ANY COMMENTS ON WELL CONDITIONS THAT WILL CONTRIBUTE TO FAILURES.

Perf @ 60'
Sqz to
Surface

349'

Perf @ 400'
Sqz 60 SX

Perf @ 1111'
Sqz 40 SX

Perf @ 2111'
Sqz 40 SX

Perf @ 3111'
Sqz 40 SX

Perforations

4221-4287

PBTD @ 4578 ETD @ 0

TD @ 4675

35' Cmt Plug 4111'
Cibp @ 4146'

4221'

EOR OPERATING COMPANY
PROPERTY NAME_Federal 19_____ WELL #___2_____ CIRCLE: CAPITIZED / EXPENSED
AFE PROPOSAL P & A

BILLING CATEGORY		CATEGORY DESCRIPTION	PROPOSED VENDOR	QUANTITY	RATE	ESTIMATED AMOUNT	COMMENTS
WORKOVERS & P & A'S (600-EXPENSED, 800-CAPITALIZED)							
Cap	Exp						
6.01	8.01	SURVEY & PERMIT					
6.02	8.02	DAMAGES					
6.03	8.03	ROAD & LOCATION	Hobbs Anchor/MWI			7,500	Test anchors/Remediate Location
6.04	8.04	RIG MOVE					
6 05	8 05	DRLG-FOOTAGE					
6.06	8 06	DRLG-DAYWORK					
6 07	8 07	CEMENT/HARDWARE					
6 08	8.08	CHEMICAL					
6.09	8.09	CORING/CORE ANALYSIS					
6.10	8.10	TUBING TESTING					
6.11	8.11	DRILLING FLUID					
6.12	8.12	WATER					
6.13	8.13	BITS & REAMERS					
6.14	8.14	GEOLOGICAL & EXPENSES					
6.15	8 15	ENGINEERING/WELL SUPERVISION					
6.16	8.16	MUD LOGGING					
6.17	8.17	LOGGING & PERFORATING					
6.18	8.18	EQUIPMENT RENTAL					
6.19	8.19	TRUCKING	MWI			2,500	Haul WS/Tbg/Rods to/from Loc.
6.20	8.20	LABOR	MWI			4,000	Clean Location
6.21	8.21	LEGAL					
6.22	8 22	OVERHEAD					
6.23	8 23	INSURANCE & BONDS					
6.24	8.24	CASING CREWS					
6.25	8.25	PLUGGING & ABANDONMENT	Sunset			37,000	Plugging Unit
6.26	8.26	SWABBING UNIT COSTS					
6.28	8.28	FUEL					
6.29	8.29	PULLING UNIT					
6 30	8.30	MOBILIZATION					
6.32	8.32	ELECTRICAL-MATERIAL/LABOR	Tessco			1,500	Disconnect any electrical on Location
6.33	8.33	LIQUID CO2					
6 34	8.34	PROPANE & STORAGE					
6 36	8.36	CONSULTING					
6.50		ALLOCATED COSTS (NOT USED ON AFE'S)					
6 70	8:70	MISCELLANEOUS COSTS (**DETAIL BELOW**)					
		MATERIALS: (**600-EXPENSED; 800-CAPITALIZED**)					
6.61	8.61	PRODUCTION CASING					
6 62	8.62	FLOWLINE					
6 63	8 63	WELLHEAD EQUIPMENT					
6.64	8.64	TUBING					
6 65	8.65	DOWNHOLE PUMP					
6.65	8.65	RODS					
6.66	8.66	PUMPING UNITS					
6.67	8.67	TANKS					
6 68	8.68	SEPARATORS & HEATER/TREATER					
6 69	8.69	ENGINES & POWER EQUIPMENT					
6.74	8.74	VALVES & FITTINGS					
6.71	8.71	INSTALL COSTS-EQUIPMENT					
6.73	8 80	MISCELLANEOUS TANGIBLE					

EQUIPMENT COSTS TOTAL 52,500

AFE TOTAL 52,500

PLEASE SUMMARIZE PROJECTED BENEFIT (i.e. increased production, cost savings, etc.)
Lost Lease - P & A as per BLM Roswell

SCHEDULED START DATE: 8/2012

SUBMITTED BY: _Andy Chalker_____ **DATE:** _6/25/12_____

APPROVED BY: _____ **DATE:** _____

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.