

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240
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

2. Name of Operator

H.L. Brown Operating, L.L.C.

3a Address

P. O. Box 2237
Midland, TX 79702

3b Phone No. (include area code)

(432) 683-5216

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

990' FNL & 1650' FWL Sec 4
T-8S, R-37E

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

8. Well Name and No
Federal C No.1

9. API Well No.
30-041-20402

10 Field and Pool or Exploratory Area
Bluitt Wolfcamp

11. County or Parish, State
Roosevelt County, NM

12. CHECK THE 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 checked="" 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 checked="" type="checkbox"/> Other Proposed well test
	<input type="checkbox"/> Change Plans	<input 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 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.)

HLB can acquire a small test unit from Metering and Testing in Hobbs. This unit has a Blancett turbine meter, but does not have a true non-resettable totalizer, i.e. the counter can be reset at their shop. The available unit thus differs slightly from the one described in the Written Order 12KSB20W at issue.

The available unit can be utilized for testing the Federal C #1, but would not be utilized for testing the Federal C #2 (because there is no line heater) or the Federal 27-4 or 27-6. These two wells would require 24 hour supervision with this size unit; Metering & Testing does not currently have a 24 hour supervisor available.

Please advise as soon as possible whether BLM will accept utilization of this unit for testing at the Federal C #1. If so, we can start testing with third party supervision Monday the 6th or Tuesday the 7th, August, 2012.

DENIED

DENIED: TESTING UNIT MUST HAVE A NON-RESETTABLE TOTALIZER AND TOTALIZER MUST BE SEALABLE. THE GAS METER MUST BE CAPABLE OF MEASURING TEMPERATURE, STATIC AND DIFFERENTIAL. TO MEET REQUIREMENTS OF WELL TEST

14. I hereby certify that the foregoing is true and correct.

Carlton Wheeler

Title Operations Manager

Signature Carlton Wheeler

Date 08/03/2012

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)

HOBBS OCD

COPY OFFICIAL FILE COPY

Number 12KSB20W

Page 1 of 2

☒ Certified Mail - Return
Receipt Requested
70081830000260366114

AUG 09 2012

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

NOTICE OF WRITTEN ORDER

IDENTIFICATION	
IID	SW1007
Lease	NMNM021097A
CA	NMNM71928
Unit	
PA	

Bureau of Land Management Office ROSWELL FIELD OFFICE				Operator H L BROWN OPERATING LLC			
Address 2909 W. SECOND ST. ROSWELL NM 88201				Address PO BOX 2237 MIDLAND TX 79702			
Telephone 505-627-0229				Attention			
Inspector BUSSELL				Attn Addr			
Site Name FEDERAL C	Well or Facility 1	1/4 1/4 Section NENW 4	Township 8S	Range 37E	Meridian NMP	County ROOSEVELT	State NM
Site Name FEDERAL C	Well or Facility 2	1/4 1/4 Section NESW 4	Township 8S	Range 37E	Meridian NMP	County ROOSEVELT	State NM
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
04/09/2012	15:10	05/18/2012		43 CFR 3162.4-2(b)

Remarks:

Under 43 CFR 3162.4-2 (b) "After the well has been completed, the operator shall conduct periodic well tests which will demonstrate the quantity and quality of oil, gas and water. The method and frequency of such well tests will be specified in appropriate notices and orders". BLM is requesting a 72 Hour well test on all wells on lease NMNM 71928.

1. The test to be performed by a third party tester.
2. Oil test equipment measurement by a positive displacement metering system, for purposes of oil well test, designed to provide for the unattended transfer of liquid hydrocarbons and gas from a production facility to the Bluit Facility while providing proper and accurate means for the (Remarks continued on following page(s).)

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title _____ Signature _____ Date _____

Company Comments _____

Warning

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days

Review and Appeal Rights

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <i>Angel Mayes</i>	Date 4-9-12	Time 1516
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FOR OFFICE USE ONLY

Number 51	Date	Type of Inspection T
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BLM Remarks, continued

determination of net standard volume and quality, while also providing for fail-safe and tamper proof operations in accordance with the regulations.

3. One which registers the volume passing through said meter by a system which constantly and mechanically isolates the flowing liquid into segments of known volume.

4. One which meters has non-resettable totalizers.

5. There shall be no by-pass piping around the well test equipment.

6. All components of the well test equipment that is used for volume or quality determinations of the oil shall be effectively sealed. However, any valves which may allow access for removal of oil before measurement through the well test equipment shall be effectively sealed.

7. Contact the BLM 48 hours prior to the startup and the removal of any equipment involved with the well test equipment.

8. Results shall be submitted to the BLM no later than 20 days after the completion of the well test.