

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

OCB Hobbs  
HOBBS OCB

**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.*

RECEIVED  
JAN 09 2013

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-0245247
2. Name of Operator Seely Oil Company		6. If Indian, Allottee or Tribe Name
3a. Address 815 W. 10th St. Ft. Worth, TX 76102	3b. Phone No. (include area code) 817.332.1377	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL & 1550' FEL Sec. 30-T18S-R34E		8. Well Name and No. McElvain Federal #8
		9. API Well No. 30-025-35503
		10. Field and Pool or Exploratory Area EK; Delaware
		11. Country or Parish, State Lea County, NM

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 type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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.)

Seely Oil Company proposes to plug back the subject well as follows:

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

1. POOH w/ rods & tbg.
2. Set CIBP @ 5500' w/ 35' cmt on top. 5600'
3. Perforate from 4735' - 4740' w/ 2 spf.
4. GIH w/ pkr to 4700' +/-.
5. Acidize w/ 750 gallons 10% NeFe.
6. Fracture treat w/ 22,000 gallons & 35,000 lbs. sand. Recover load.
7. Pull tbg & pkr.
8. Run production equip & return to production.

Sec COA - more details required before initiating

14. I hereby certify that the foregoing is true and correct: Name (Printed/Typed) David L. Henderson		Title President
Signature <i>David Henderson</i>		Date 11/27/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Petroleum Engineer	<div style="border: 2px solid black; padding: 5px; text-align: center;"> <p><b>APPROVED</b></p> <p>JAN 4 2013</p> <p><i>Wesley W. Ingram</i></p> <p>WESLEY W. INGRAM PETROLEUM ENGINEER</p> </div>
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.

K2 JAN 16 2013

## **Conditions of Approval**

**Seely Oil Company  
McElvain Federal #8  
API 30-025-35503  
T18S-R34E, Sec 30  
January 4, 2013**

**Since this well can produce in paying quantities from the Delaware, operator will not be approved to transfer, assign, sell, or otherwise convey this wellbore to any other entity or plug said well from the Penrose.**

**NOTE: Approval is only through the acid treatment of the procedure. Operator shall provide fracture treatment details requested on 11/3/2012 prior to performing the fracture treatment. Details shall include at a minimum the fracture pressures and whether a work string will be used.**

**Well shall be renamed to reflect its inclusion in the unit.**

1. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard <bballard@blm.gov> 575.234.5973.
2. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when recompleting to another formation. **These shall be submitted with the Subsequent Report when the work is completed.**
3. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 5400' or below to top of cement. The CBL may be attached in an e-mail to pswartz@blm.gov.**
4. Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing plug back procedures. The procedures are to be witnessed. If no answer, leave a voice mail with the API#, workover purpose and a call back phone number. Note the contact, time and date in your subsequent report.
5. Surface disturbance beyond the originally approved disturbance shall have prior approval.
6. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
7. Functional H<sub>2</sub>S monitoring equipment shall be on location.

8. A minimum of 2000 (2M) BOPE shall be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
10. **CIBP shall be set at 5600'. Operator will be allowed to bail the cement on the CIBP at 5600' since the operator has stated that they will return to producing the Delaware- when the Penrose is depleted. Operator shall tag the cement on the CIBP to verify that 35' of cement has been placed. This tag shall be witnessed by a BLM PET.**
11. After setting the plug in **Step 10** and before perforating, perform a BLM PET witnessed (charted) casing integrity test of 500 psi. Pressure leak off may require remedial actions prior to continuing the work over. Include a copy of the chart in the subsequent sundry for this work over.
12. File a **subsequent sundry** Form 3160-5 within 30 days of completing the approved work.
13. Submit the BLM Form 3160-4 **Completion Report** within 30 days of the date all BLM approved procedures are complete.
14. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

PRS / WW1 010413

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - [http://www.blm.gov/nm/st/en/prog/energy/oil\\_and\\_gas.html](http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html)

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.