

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD Hobbs

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

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.

5. Lease Serial No.
NM18640 NM108500

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2 APR 15 2013

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

1. Type of Well
 Oil Well Gas Well Other Water Injection RECEIVED

8. Well Name and No.
Red Hills North 811 Unit

2. Name of Operator
EOG Resources Inc.

9. API Well No.
30-025-32980

3a. Address
P.O. Box 2267 Midland, Texas 79702

3b. Phone No. (include area code)
432-686-3689

10. Field and Pool, or Exploratory Area
Red Hills; Bone Spring

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
S/1/6 862 FSL & 569 FWL, Sec 8, T25S, R34E
BHL 121 FNL & 2400 FEL, Sec 18, T25S, R34E

11. 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 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Re-establish</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>injection</u>

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 shall 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 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 final site is ready for final inspection.)

Procedure to cleanout lateral section to restore water injection:

1. Backflow well
2. MIRU WSU & support equipment
3. NDWH & NU 7-1/6" 5K BOP
4. TOH w/ IPC tubing & laydown injection assembly
5. PU TIH w/ 1.66" & 2-7/8" workstring & bit to cleanout 3-1/2" liner
6. Circulate clean & spot 1500 gal; acid across horizontal section
7. POH & laydown 2-7/8" & 1.66" workstring
8. Circulate packer fluid & conduct MIT
9. RDMO & resume injection

* An additional acid treatment may be performed prior to placing back on injection, this will be based on well behavior after clean-out operations have been completed.

1/3/13 The well passed a BLM witnessed MIT test.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) Stan Wagner
Title Regulatory Analyst
Signature *Stan Wagner*
Date 1/7/13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE
Approved by _____ Title _____
Office _____
Date APR 10 2013
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes 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.

APR 18 2013

Draft of Conditions of Approval

EOG Resources Inc.
Red Hills North Unit - 811
API 30-025-32980
T25S-R34E, Sec 08
January 29, 2012

This well's recorded activity has been inactive/shut-in for more than 30 days without authorization and was shut in due to failure on 05/01/2012.

This well's recorded activity has been inactive/shut-in for more than 30 days without authorization. An inactive/shut-in well bore is a non-producing completion that is capable of production in paying quantities or of service use.

As the operator you are required **prior** to other wellbore work: **Prove the production casing integrity from no more than 100 feet above the perforations with a documented minimum pressure test of 500 psig for 30 minutes. Return the well to production or beneficial use on or before 03/27/2013. There has been no record or documentation found for the claim that the well passed a BLM witnessed MIT test 01/13/2012 as stated on the attached notice of intent.**

Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Pressure leakoff will be evaluated site specifically and may restrict continued operation approval. Twenty four hours before the test contact BLM to witness; email Andy Cortez acortez@blm.gov or phone 575-393-3612 or 575-631-5801. If no answer, leave a voice mail with the API#, workover purpose and a call back phone number. Note the contact, time, & date in your subsequent report.

Should the well not be put to beneficial use or mechanical integrity test fail or not be conducted submit a procedure to plug and abandon the well for BLM approval on or before 6/10/2013. The Incidence of Noncompliance (12PS01I) date has been extended until 6/10/2013. Should noncompliance continue until that date, a second INC will be issued with Civil Penalty.

PRS/CRW 04.10.2013

Well with a Packer - Operations

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.

- 2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
- 3) Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
- 4) Make arrangements 24 hours before the test for BLM to witness. In Lea County email Andy Cortez acortez@blm.gov, (phone 575-393-3612 or 575-631-5801). If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
- 5) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
- 6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
- 7) **Submit the original subsequent sundry with three copies to BLM Carlsbad.**
- 8) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
 - 1) Approved injection pressure compliance is required.
 - 2) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
 - 3) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
- 9) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
 - 1) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
 - 2) A "Best Management Practice" is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.
 - 3) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.

- 4) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
- 5) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of Opsia. Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
- 6) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry. List daily descriptions of any previously unreported wellbore workover(s) and reason(s) the well annular fluid was replaced.

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

§ 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.