

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

HOBBS OCD  
OCD Hobbs

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

JUL 16 2013

RECEIVED

**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.  
NM 65441  
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

Oil Well  Gas Well  Other SWD

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

2. Name of Operator  
RMR Operating LLC

8. Well Name and No.  
Madera 25 Federal #1

3a. Address  
2515 McKinney Avenue Suite 900  
Dallas, TX 75201

3b. Phone No. (include area code)  
2148710400

9. API Well No.  
30-025-29808

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1980' FSL & 1980' FEL, Unit J, Sec. 25, T-26S, R-34E

10. Field and Pool or Exploratory Area  
Wildcat, Wolfcamp SWD, Cherry Canyon (92003)  
11. County 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 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input checked="" 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.)

Please see attached SWD Conversion Daily report Summary detailing operations to convert Madera 25 Federal #1 to a SWD. Also included is a copy of the Cement Bond Log

Submit Completion Report SWD = 1366

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

Title Executive VP and Director of E&P

Signature

Date 04/09/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Date

JUL 15 2013

/s/ Chris Walls

Title

Office

BUREAU OF LAND MANAGEMENT

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.

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)

JUL 17 2013

RMR Operating, LLC.  
Madera 25 Federal #1 SWD  
Sec 25, T26S, R 34E  
1980' FSL and 1980' FEL  
Lea County, NM

3-15-2013

RUPU on well, RU wire line to run gyro unable to get down due to paraffin, bled off tbg and csg pressure. Loaded tbg and csg and pressured csg to 2,500 psi no leak off. Loaded tbg and pressured to 2800 psi pressure leaked off to 600 psi in 5 minutes.

2-16-13

Bled off tbg and csg, unbolted well head and removed. Unable to connect to tbg due to required crossover, set tree back on well.

2-19-13

ND tree and NU 5K BOP. Worked tbg and attempted to release packer, would not release. Got off on/off tool and circulated down tbg with 500 gals xylene to clean up paraffin. Reversed out of hole with 60 Bbls to clean up tbg and top of pkr. Latched back on packer would not release, got off on/off tool. Called and visited with Paul Swartz and Wesley Ingram to leave pkr set cmt retainer above pkr, at 13,265 attempt to squeeze below retainer and set cmt plug from 13,265' to 12,200'. This procedure was agreed to by phone on 3-19-2013 by Wesley Ingram and Paul Swartz.

3-20-13

Pulled out of hole with tbg and RU wire line set cement retainer at 13,265'. Started in hole with stinger and tbg.

3-21-13

Finished in hole with stinger and tbg. Stung into retainer and pressured to establish injection rate. Pressured to 3000 psi no pump in rate, pulled out of retainer and spotted 150 sacks class H cement from 12,265' to 12,152'. Pulled tbg to 12,100' and reversed out tbg.

*13,265 per Tommy Folsom 05/03/2013 ARK*

3-22-13

Finished pulling tbg out of hole and RU Scientific Drilling wire line. Ran gyro survey from 9,500' to surface.

RMR Operating, LLC.

Madera 25 Federal #1 SWD

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3-25-13

RU wire line ran in hole and tagged TOC 12,200' cement plug top 265' above 5 1/2" liner top. Ran cement bond log from 12,200' to surface. Cement was circulated to surface with good cement bond across proposed inject interval.

CBL Log was hand delivered to BLM in Carlsbad and reviewed and accepted by Wesley Ingram to move forward with SWD conversion. Digital recording and paper log attached.

3-26-13

TIH w/ tbg and circulated 10# salt gel from 12,200' to 9,500'.

3-27-13

Spotted 300 sack class H cement plug from 9,530' to 8,500'. Pulled up hole and reversed tbg clean, pressure tested casing to 1,500 psi for 15 minutes no leak off.

3-28-13

RU wireline and ran in hole with 4 " csg guns and perforated as follows.

6,885' to 6,936' - 51' - 204 holes - 6,968' to 7,012' - 44' - 176 holes - 7,030' to 7,090' - 60' - 240 holes - 7,130' to 7,165' - 35' - 140 holes.

4-1-13

RIH w/ pkr and tbg, spotted 3000 gals 15% HCL pulled up hole 15 stands, pressured to 1000 psi and broke down perforations. Displaced acid at 2 BPM 365 psi ISIP 330, 5 min 183 psi, 10 min 183 psi, 15 min 158 psi. Set pkr and pressure tested would not hold, POOH w/ pkr.

4-2-13

RIH w/ pkr and bigger pack off elements. Set packer at 6,787' tested at 500 psi held OK. RU swab and swabbed tbg down to pkr. No Oil or gas indicated, 31 Bbls recovered tbg capacity 24 Bbls.

4-3-13

Slight blow on tbg, RU swab fluid level at 1400' from surface. No oil or gas indicated in swab run. Called Paul Swartz with the BLM and discussed swab report and requested permission to move forward with conversion. Paul approved to move forward with conversion to disposal. Released packer and POOH laying down all 2 3/8" tbg.

4-4-13

Opened well and removed BOP picked up 2 7/8" nickel plated down hole shut off valve (check), 2 7/8" nickel plated sub OD/ID, 2 7/8" x 9 3/4" nickel plated crossover OD/ID, AS-1X nickel plated packer, 9 3/4" x 2 7/8" nickel plated OD and plastic coated ID, cross over, nickel plated on/off tool with 2.25 stainless steel profile, 1 jt 2 7/8" eue 8rd J-55 plastic coated tubing, NU 5k x 2 7/8" BOP, ran in hole with 209 Jts 2 7/8" IPC J-55 tbg to 6,794'. Circulated well with 470 Bbls 10# brine with 3 GPT corrosion inhibitor and oxygen scavenger. Set packer with end of pkr at 6,785.90' – 2.25 SS profile at 6,784.12'. Pressured casing to 500 psi and held for 15 minutes held OK. Will ND BOB and NU WH in AM and conduct csg integrity test and step rate test.

4-5-13

Opened well, NDBOP, NU WH. Set packer with 20 points tension, installed full open 3000psi nickel plated tbg valve. RU pump truck on casing with chart recorder. Pressured csg to 500 psi held and recorded pressure test for 30 minutes. (Witnessed by the NMOCD Mark Whitaker) Conducted step rate test down tbg as follows. 1 BPM 300 psi, 2 BPM 575 psi, 3 BPM 985 psi, 3.5 BPM 1325 psi. (Witnessed by the NMOCD Mark Whitaker)

Tbg Detail:        210 Jts 2 7/8" J-55 eue 8rd IPC tbg  
                      9 5/8" x 2 7/8" T-2 O/O tool SS PN 2.25 @ 6,784.10'  
                      SS x-over  
                      9 5/8" x 4 1/2" AS-1X NP w/ carbide slips @ 6,785.90  
                      2 7/8" NP- sub w x-over  
                      SS 2 7/8" check shut off valve @ 6,794.23'

Will construct Battery, set tri plex pump and prepare lease for disposal operations.