Form 3160-5
(August 2007)

OCD Hobbs

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

APR 30 2013

RECEIVED

FORM APPROVED
OMB NO. 1004-0135
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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMLC059001

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
8920003410

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
MCA UNIT 490

2. Name of Operator
CONOCOPHILLIPS COMPANY
Contact: RHONDA ROGERS
E-Mail: rogerrs@conocophillips.com

9. API Well No.
30-025-39321-00-S1

3a. Address
3300 N "A" ST BLDG 6
MIDLAND, TX 79705

3b. Phone No. (include area code)
Ph: 432-688-9171
Fx: 432-688-6019

10. Field and Pool, or Exploratory
MALJAMAR

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 33 T17S R32E NWNE 735FNL 2330FEL
32.796283 N Lat, 103.770461 W Lon

11. County or Parish, and State
LEA COUNTY, NM

12. CHECK 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
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ 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 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 site is ready for final inspection.)

ConocoPhillips would like to P&A this wellbore.

Attached is the procedure w/wellbore schematic.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECLAMATION PROCEDURE
ATTACHED

Ground Level Dry Hole Marker Required.

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

Electronic Submission #204755 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Hobbs
Committed to AFMSS for processing by KURT SIMMONS on 04/23/2013 (13KMS2046SE)

Name *(Printed/Typed)* RHONDA ROGERS — Title STAFF REGULATORY TECHNICIAN

Signature (Electronic Submission) — Date 04/18/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JAMES A AMOS — Title SUPERVISORY EPS — Date 04/27/2013

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 Hobbs

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

AUG 22 2013

CURRENT SCHEMATIC

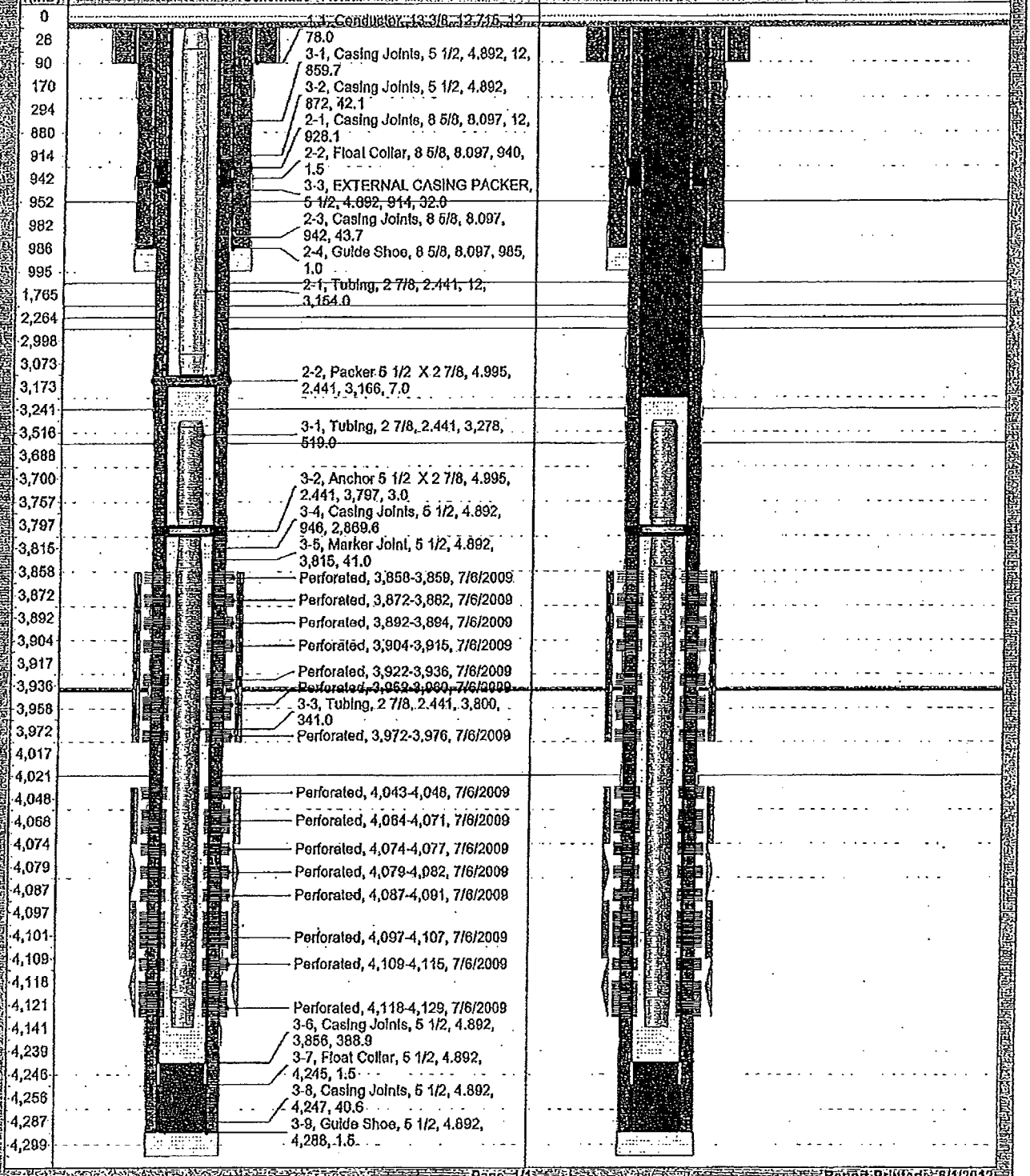
ConocoPhillips

MCA 490

District	Field Name	API / UWI	County	State/Province
PERMIAN	MALJAMAR	3002539321	LEA	NEW MEXICO

Original Spud Date	Surface Legal Location	E/W Dist (ft)	E/W Ref	N/S Dist (ft)	N/S Ref
6/21/2009	Section 33, Township 17 S, Range 32 E	2,330.00	FEL	735.00	FNL

Well Config: VERTICAL - Original Hole, 6/14/2012



ConocoPhillips

Permian Basin Asset
Odessa, Texas
September 24, 2012

API #30-025-39321 (P&A)
MCA 490
Maljamar (Grayburg-San Andres) Field
Lea County, New Mexico

The workover is in response to the following correspondence from the BLM:

From: Amos, James A [mailto:jamos@blm.gov]
Sent: Monday, August 13, 2012 10:46 AM
To: Deen, Larry E.
Subject: [EXTERNAL]RE: MCA Unit 490

Larry,

The well is a fairly new well (little over 2 years). We would like to see the well cleaned out and put on production, or at the least get it plugged properly. We need to make an attempt to clean out to at least 100' above the uppermost perforation. I will work the plugging procedure with that change. If any questions, please get back to me.

thanks

The above was in response following BLM review of a proposed procedure to P&A MCA 490 from 3200 to surface.

The P&A procedure has been revised to include recovery of the remaining production tubing to within 100 ft. of the uppermost perforation @ 3872. MCA 490 has been SI since 04.22.2011. Prior to SI, production was:

Well Test History				
Date	BOPD	BWPD	BFPD	MCFPD
07/15/09	41	225	266	15
08/05/09	50	124	174	12
08/07/09	6	133	139	3
01/21/10	2	121	123	2
01/23/10	1	115	116	1
01/24/10	1	115	116	1
01/25/10	1	115	116	1
04/22/10	Shut-In			
07/16/10	TA			

MCA 490 was drilled in 2009 as part of the MCA re-development project. Project area injection was initiated June 2011.

MCA 490 is down-hole equipped w/ 2-7/8" tbg & PKR @ approximately 3055. The casing above PKR was tested @ 500#. Well is loaded w/ biocide-treated corrosion inhibited PKR brine (05.18.12). The following is a summary of remaining-in-hole below the PKR.

	Depth (ft): RKB	
Remaining-in-Hole (in-place since:07.13.09)	top	btm
2-7/8", 6.5#, J-55 tbg	3278	3727
2-7/8", 6.5# J-55 marker sub	3728	3736
2-7/8", 6.5#, J-55 tbg	3736	3797
2-7/8" x 5-1/2", 17# TAC	3797	3800
2-7/8", 6.5#, J-55 tbg	3800	4108
2-7/8", 6/5#, J-55 endura jt	4108	4140
2-7/8" SN	4140	4141

WELL CATEGORY, BOP CLASS AND EXCEPTIONS

Well Category One

BOPE Class One Hydraulic BOP recommended.

PROCEDURE

1. MI & RU well service unit (last well service 05.18.12: SI well). The following is summary of the current downhole configuration:

MCA 490 (API: 30-025-39321)			
735 FNL & 2330 FEL, 33B-17S-32E			
Elev.: 3944 KB; 3932 GL (KB - GL: 12 ft.)	Depth (ft): RKB		
	top	btm	
8-5/8", 24#, J-55 @ 969	surface	986	06.22.09: Cmt w/ 570 sx (162 bbl). Circ 160 sx (50 bbl)
5-1/2", 17#, J-55 csg w/	surface	4289	06.26.09: Cmt w/ 811 sx (303 bbl). Circ 215 sx (99 bbl)
External Casing PKR: 913			
Marker Jt: 3808-3830 (06.30.09 GR/CNL/CCL)			
Marker Jt: 3830-3849 (06.30.09 GR/CNL/CCL)			
Salt Section	1160	2110	
			05.18.12:
2-7/8", 6.5#, J-55 tbg	surface	3054	Equip w/ tbg & PKR.
PKR	3054	3057	Circ well w/ inhibited biocide-treated PKR brine.
			Test tbg-csg @ 500#. OK. Unable to pump down tbg @ 1000#.
Remaining-in-Hole (in-place since:07.13.09)			
2-7/8", 6.5#, J-55 tbg	3278	3727	
2-7/8", 6.5# J-55 marker sub	3728	3736	
2-7/8", 6.5#, J-55 tbg	3736	3797	
2-7/8" x 5-1/2", 17# TAC	3797	3800	

2-7/8", 6.5#, J-55 tbg	3800	4108	
2-7/8", 6/5#, J-55 endura jt	4108	4140	
2-7/8" SN	4140	4141	
Perforation Intervals:			
Grayburg	3872	3882	07.06.09: Perforate @ 2 spf
	3892	3894	07.06.09: Perforate @ 2 spf
	3904	3915	07.06.09: Perforate @ 2 spf
	3922	3936	07.06.09: Perforate @ 2 spf
	3952	3960	07.06.09: Perforate @ 2 spf
	3972	3976	07.06.09: Perforate @ 2 spf
San Andres	4043	4048	07.06.09: Perforate @ 3 spf
	4064	4071	07.06.09: Perforate @ 3 spf
	4074	4077	07.06.09: Perforate @ 3 spf
	4079	4082	07.06.09: Perforate @ 3 spf
	4087	4091	07.06.09: Perforate @ 3 spf
	4097	4107	07.06.09: Perforate @ 3 spf
	4109	4115	07.06.09: Perforate @ 3 spf
	4118	4129	07.06.09: Perforate @ 3 spf
PBD	4236		06.30.09: Logger PBD
TD		4300	06.25.09: TD 7-7/8" hole

2. Note & record SICP & SITP. ND well. NU BOP.

3. Release PKR @ 3054. POOH & LD 2-7/8", 6.5#, J-55 tbg & PKR.

4. PU & RIH w/ 4-3/4" OD concave dress-off mill w/ 2 ft SOD extension, 6: 3-1/2" DC on 2-7/8", 6.5#, N-80 tbg to top of downhole tbg @ approximately 3278.

   Dress-off tbg: 3278-3285 (tbg collar @ approximately 3290; 05.10.12: Rec tbg collar @ approximately 3230).

   Note milling rate & composition of returns (metal, scale, cement, formation)

   NOTE: During previous recovery efforts, reported rod box wear & "pitted" tbg may suggest excessive tbg metal loss. Previous OS efforts resulted in limited tbg recovery consisting essentially of full joints suggesting tbg collar metal loss....tbg repeatedly parted @ collars at 8,000-10,000# over string-weight.

)7.07.10	Un-seat pump. Rods possibly parted. Well flowing approximately 2 BPM. POOH & LD rods (rod boxes worn down....."could almost see pin")
)7.08.10	Finish POOH & LD rods. Open csg & blow csg down. ND well. NU BOP. Attempt to release TAC @ 3800. Tbg parted. POOH w/ 20 stands tbg
	(tbg collars described as "pitted"). RIH w/ tbg. POOH & LD tbg. Rec 101 jts (3101 ft.)

)5.09.12	Change out 3-21/32" grapple in OS to 2-7/8". RIH w/ BHA. Tag @ 3109. Engage grapple. Pull 8000# over string wt. Attempt to release TAC.
	OS came free. SION.

05.10.12	SIP: 250#. Bleed prs down. POOH w/ tbg & BHA. Rec 1 jt 2-7/8" tbg (29.75 ft.). tbg jt was split on both ends and pitted entire length
	RIH w/ 4-11/16" OS w/ 2.5 ft. extension, 3-3/4" BS, 3-3/4" jars, 6: 3-1/2" DC & 2-7/8' tbg. Tag @ 3139. Engage OS. Work tbg. OS came free.
	POOH w/ BHA. Rec 3 jts 2-7/8" tbg. RIH w/ BHA. Tag @ 3230. Engage OS. Pull 10,000#. OS came free. POOH. Rec 2-7/8" tbg collar.
	RIH w/ BHA to 2000. SION.
05.11.12	RIH w/ BHA to 3000. Circ well 10# biocide-treated brine. RIH w/ BHA. Tag @ 3230. Attempt to engage OS. OS came free. POOH w/ BHA.
	Rec 20 ft. piece of 2-7/8" tbg. SIOWE.

POOH w/ tbg & BHA.

5. RIH w/ 4-11/16" OS w/ grapple for 2-7/8" on 2-7/8" tbg. Engage OS (limit upstrain to 5000# over string weight).

   RIH down tbg w/ 1" sinker-bar on sand-line to TAC @ 3800.

   Chem-cut tbg approximately 5 ft. above TAC @ 3800.

   Note: May want to forego free-point. For approximately 515 ft of 2-7/8", 6.5# production tbg (3285-3800 TAC) & 5000# pull, surface stretch is approximately 0.5".

   POOH w/ tbg & OS BHA. Estimated recovered tbg weight (515 ft. @ 6.5#/ft):

   : 3350# air wt.
   : 2900# buoyant wt

6. RIH w/ 4-11/16" OS w/ grapple for 2-7/8", 3-3/4" BS, 3-3/4" jars, 6: 3-1/2" DC (1.5" ID: 27#/ft.; 1.25" ID: 29#/ft.) on 2-7/8" tbg.

   Engage chem-cut tbg @ approximately 3795. Attempt to shear TAC.

   If able to shear TAC: POOH w/ workstring & recovered tbg.

   If unable to shear TAC: Release OS & POOH

NOTE: Chemical-cut @ 3795 is within 100 ft. of uppermost perforation @ 3872. There is option to P&A well from 3795.

P&A:

7. RU SLB wire line. Install lubricator. RIH w/ (correlate to GR/CNL/CCL of 06.30.09):

   CBL: Log from PBD @ 4236 (perforation interval: 3872-4129) to surface.

   RD SLB.

Note:

Elev.: 3944 KB; 3932 GL (KB - GL: 12 ft.)	Depth (ft): RKB		
	top	btm	
8-5/8", 24#, J-55 @ 969	surface	986	06.22.09: Cmt w/ 570 sx (162 bbl). Circ 160 sx (50 bbl)

5-1/2", 17#, J-55 csg w/	surface	4289	06.26.09: Cmt w/ 811 sx (303 bbl). Circ 215 sx (99 bbl)
5-1/2" x 8-5/8" External Casing PKR: 913			
Marker Jt: 3808-3830 (06.30.09 GR/CNL/CCL)			
Marker Jt: 3830-3849 (06.30.09 GR/CNL/CCL)			

If CBL indicates absence of cement across Salt Section (TOS: 1160; BOS: 2110), 5-1/2" csg will be perforated approximately 50 ft. below BOS & TOS and 25 sx (5.9 bbl) will be placed behind casing (equivalent to 190 ft. cmt column in 5-1/2" x 7-7/8" drill-hole annulus).

8. RIH w/ 2-7/8" tbg open-ended to either:

4180 (50 ft. below lowermost perforation @ 4129)
3795 (top of chem.-cut tbg)

Circulate well w/ minimum 9 ppg plugging mud. Estimated well capacity (w/ tbg):

EOT @ 4180: 88 bbl
EOT @ 3795: 80 bbl

Plug-1: Completion Interval
Mix & pump 50 sx (11.75 bbl) Class C cement.
Displace cmt w/ 9# mud to within 3.25 bbl of EOT.

EOT @ 4180: Displace cmt w/ 21.0 bbl
EOT @ 3795: Displace cmt w/ 18.7 bbl

POOH w/ 10 stands (EOT: 3195-3580).
Reverse tbg w/ 25 bbl 9# mud (tbg cap.: 18.5-20.7 bbl).
SD 4 hrs.
RIH & tag cmt. Cmt column: 3289-3795 or 3674-4180; uppermost perforation: 3872)

Plug-2: Base of Salt
If CBL indicates presence of cement across interval: 2010-2210 (BOS: 2110):
Pull tbg to 2210.
Mix & pump 25 sx (5.9 bbl) Class C cement
Displace cmt w/ 11.1 bbl 9# mud
POOH w/ 6 stands (EOT: 1850).
Reverse tbg w/ 15 bbl 9# mud (tbg cap.: 10.7 bbl)
SD 4 hrs.
RIH & tag cmt. Cmt column: 1957-2210

If CBL indicates absence of cement across interval 2010-2210 (BOS: 2110):
POOH w/ tbg.
Perforate 5-1/2", 17# csg @ 4 spf: 2160 (50 ft below BOS @ 2110).
RIH w/ tbg & PKR w/ 1 jt tail-pipe.

Set PKR @ 1860 w/ EOT @ 1890 (collars: 1834 & 1874)
Open valve on 5-1/2" x 8-5/8" annulus
Obtain pump-in rate w/ 10 bbl fresh water.
Mix & pump 50 sx (11.75 bbl)
Displace cmt w/ 13 bbl 9# mud (2 bbl in excess of tbg capacity to EOT).
SD 4 hrs.
RIH & tag cmt. Cmt column: 1978-2160 (181 ft: 4.2 bbl...17.9 sx) above perfs w/ 7.54 bbl (32.1 sx) placed behind-pipe.
POOH.

Plug-3: Top of Salt

If CBL indicates presence of cement across interval: 1060-1260 (TOS: 1160):

RIH w/ 2-7/8" tbg open-ended to 1260
Mix & pump 25 sx (5.9 bbl) Class C cement
Displace cmt w/ 5.7 bbl 9# mud
POOH w/ 6 stands (EOT: 900).
Reverse tbg w/ 10 bbl 9# mud (tbg cap.: 5.2 bbl)
SD 4 hrs.
RIH & tag cmt. Cmt column: 1007-1260.

If CBL indicates absence of cement across interval: 1060-1260 (TOS: 1160):

Perforate 5-1/2", 17# csg @ 4 spf:1210 (50 ft below TOS @ 1160).
RIH w/ tbg & PKR w/ 1 jt tail-pipe.
Set PKR @ 910 w/ EOT @ 940 (collars: 905 & 945 est.)
Open valve on 5-1/2" x 8-5/8" annulus
Obtain pump-in rate w/ 10 bbl fresh water.
Mix & pump 50 sx (11.75 bbl)
Displace cmt w/ 7.5 bbl 9# mud (2 bbl in excess of tbg capacity to EOT).
SD 4 hrs.
RIH & tag cmt. Est TOC: 1029 ft. Cmt column: 1029-1210
(181 ft.: 4.2 bbl...17.9 sx) above perfs w/ 7.54 bbls (32.1 sx) placed behind-pipe.
POOH.

Plug-4: 8-5/8" Casing Shoe

If CBL indicates presence of cement across interval: 886-1086 (Csg Shoe: 986)

RIH w/ 2-7/8" tbg open-ended. Tag TOC @ approximately 1000-1050
Mix & pump 25 sx (5.9 bbl) Class C cement
Displace cmt w/ 5.4 bbl 9# mud
POOH w/ 6 stands (EOT: 850).
Reverse tbg w/ 10 bbl 9# mud (tbg cap.: 4.9 bbl)
SD 4 hrs.
RIH & tag cmt. Est TOC: 750-800. Cmt column: 250 ft.

If CBL indicates absence of cement across interval: 886-1086 (Csg Shoe: 986)

Perforate 5-1/2", 17# csg @ 4 spf:1000

5-1/2" x 8-5/8" ECP:	913
8-5/8,24# csg shoe:	986
5-1/2" PBD:	1007-1029 (Plug-3)

RIH w/ tbg & PKR w/ 1 jt tail-pipe.
Set PKR @ 700 w/ EOT @ 730
Open valve on 5-1/2" x 8-5/8" annulus

Obtain pump-in rate w/ 10 bbl fresh water.
Mix & pump 25 sx (5.9 bbl)
Displace cmt w/ 7.6 bbl 9# mud
(3.4 bbl in excess of tbg capacity to EOT).
SD 4 hrs.
RIH & tag cmt. Est cmt column: 875-1000
(125 ft.: 2.9 bbl... 12.4 sx) above perfs w/ 3.0 bbls (12.6 sx) placed behind-pipe.
POOH.

Plug-5: Surface Plug

RIH w/ 2-7/8" tbg open-ended to 100.
Mix & pump 10 sx (2.4 bbl) Class C cement (well cap. w/ tbg: 2.1 bbl)
POOH w/ tbg. Est TOC: 10 FFS.
Top-off 5-1/2" csg to surface w/ cmt (0.23 bbl...approx 1 sk)

NOTE:

BLM to be notified minimum of 4 hours prior to cut-off of casing.

Wellhead cut-off to commence within 10 calendar days of final plug.

All casing to be cut-off at deeper of: base of cellar or 3 ft. below final restored ground level.

Well to be capped w/ 4" OD x 10 ft. pipe, 4 ft. above ground & embedded in cement OR

If well is within Prairie Chicken habitat area, marker will consist of an 8" x 8" steel plate positioned 2" above ground level

P&A marker to be inscribed w/ the following:

Well (name & number):	MCA 490
Operator:	ConocoPhillips
Location:	735 FNL & 2330 FEL, 33B-17S-32E
Lease Serial & API Number:	NMLC-059001 API: 30-025-39321

	Internal Yield Prs: psi				Capacity
	100%	80%	ID: in.	Drift ID: in.	bbl/ ft
2-7/8", 6.5#, J-55	7260	5808	2.441	2.347	0.00579

5-1/2", 17#, J-55	5320	4256	4.892	4.767	0.02324
2-7/8" x 5-1/2", 17#					0.0152

Well Test History				
Date	BOPD	BWPD	BFPD	MCFPD
07/15/09	41	225	266	15
08/05/09	50	124	174	12
08/07/09	6	133	139	3
01/21/10	2	121	123	2
01/23/10	1	115	116	1
01/24/10	1	115	116	1
01/25/10	1	115	116	1
04/22/10	Shut-In			
07/16/10	TA			

PROPOSED			
MCA 490 (API: 30-025-39321)			
735 FNL & 2330 FEL, 33B-17S-32E			
Elev.: 3944 KB; 3932 GL (KB - GL: 12 ft.)	Depth (ft): RKB		
	top	btm	
8-5/8", 24#, J-55 @ 969	surface	986	06.22.09: Cmt w/ 570 sx (162 bbl). Circ 160 sx (50 bbl)
5-1/2", 17#, J-55 csg w/	surface	4289	06.26.09: Cmt w/ 811 sx (303 bbl). Circ 215 sx (99 bbl)
5-1/2" x 8-5/8" External Casing PKR @ 913			
Marker Jt: 3808-3830 (06.30.09 GR/CNL/CCL)			
Marker Jt: 3830-3849 (06.30.09 GR/CNL/CCL)			
Proposed Cement Plug: 5-1/2" Casing (10 sx)	surface	100	
Proposed Cement Plug: 5-1/2" Casing (25 sx)	750	1000	
Proposed Cement Plug: 5-1/2" Casing (25 sx)	1007	1260	
Salt Section	1160	2110	
Proposed Cement Plug: 5-1/2" Casing (25 sx)	1957	2210	
Proposed Cement Plug: 5-1/2" Casing (50 sx)	3289	3795	
Remaining-in-Hole (in-place since:07.13.09)			
2-7/8", 6.5#, J-55 tbg	3795	3797	
2-7/8" x 5-1/2", 17# TAC	3797	3800	

2-7/8", 6.5#, J-55 tbg	3800	4108	
2-7/8", 6/5#, J-55 endura jt	4108	4140	
2-7/8" SN	4140	4141	
Perforation Intervals:			
Grayburg	3872	3882	07.06.09: Perforate @ 2 spf
	3892	3894	07.06.09: Perforate @ 2 spf
	3904	3915	07.06.09: Perforate @ 2 spf
	3922	3936	07.06.09: Perforate @ 2 spf
	3952	3960	07.06.09: Perforate @ 2 spf
	3972	3976	07.06.09: Perforate @ 2 spf
San Andres	4043	4048	07.06.09: Perforate @ 3 spf
	4064	4071	07.06.09: Perforate @ 3 spf
	4074	4077	07.06.09: Perforate @ 3 spf
	4079	4082	07.06.09: Perforate @ 3 spf
	4087	4091	07.06.09: Perforate @ 3 spf
	4097	4107	07.06.09: Perforate @ 3 spf
	4109	4115	07.06.09: Perforate @ 3 spf
	4118	4129	07.06.09: Perforate @ 3 spf
PBD	4236		06.30.09: Logger PBD
TD		4300	06.25.09: TD 7-7/8" hole

	MCA 490 (API: 30-025-39321)
	735 FNL & 2330 FEL, 33B-17S-32E
	Elev.: 3944 KB; 3932 GL (KB - GL: 12 ft.)
06.21.09	Spud 12-1/4" hole.
06.22.09	Drl 12-1/4" hole to 995.
	8-5/8", 24#, J-55 @ 986. Cmt w/ 570 sx (162 bbl). Circ 160 sx (50 bbl) to surface
06.23.09	RIH w/ 7-7/8 bit. Drl out csg shoe @ 986. Drl 7-7/8" hole to 995 w/ 10# brine..
	Run FIT. Test @ 250#. EMW: 14.9#.
	Drl 7-7/8" hole: 995-2025 @ 95.8 FPH
06.24.09	Drl 7-7/8" hole: 2025-2175 @ 60.0 FPH.
	Drl 7-7/8" hole: 2175-2310 @ 33.8 FPH.
	Drl 7-7/8" hole: 2310-2447 @ 54.8 FPH.
	Drl 7-7/8" hole: 2447-2991 @ 55.8 FPH.
	Drl 7-7/8" hole: 2991-3230 @ 56.2 FPH.
06.25.09	Drl 7-7/8" hole: 3230-3490 @ 49.5 FPH.
	Drl 7-7/8" hole: 3490-3990 @ 76.9 FPH.
	Drl 7-7/8" hole: 3990-4300 @ 72.9 FPH. Wtr flow @ 4150 ARO 6 BPH (144 BPD)
	TD 4300.
	5-1/2", 17#, J-55 csg @ 4289 w/
	ECP: 913
	Marker Jt: 3808-3830 & 3830-3849 (06.30.09:Spectral GR/CNL/CCL)

	Wtr flow ARO 8 BPH (192 BPD)
06.26.09	Cmt 5-1/2", 17#, J-55 csg @ 4289 w/ 811 sx (303 bbl). Circ 215 sx (99 bbl) to surface
	Initial Completion:
06.30.09	RU loggers. Log from PBD @ 4236 to surface w/ Spectral GR/CNL/CCL
07.06.09	Perforate Grayburg @ 2 spf: 3872-3882, 3892-3894, 3904-3915, 3922-3936, 3952-3960, 3972-3976
	Perforate San Andres @ 3 spf: 4043-4048, 4064-4071, 4074-4077, 4079-4082, 4087-4091, 4097-4107, 4109-4115, 4118-4129
	RIH w/ 2-78" tbg w/ RBP & PKR. Set RBP @ 4135. Circ well biocide-treated 10# brine.
07.07.09	Set PKR @ 4006.
	Acd San Andres: 4043-4129 (-99/-185) w/ 4900 gal 20% HCl:
	Displace tbg to PKR by-pass w/ 24 bbl (1000 gal) 20% HCl. Close by-pass. Breakdown @ 2835#. Pump 93 bbl (3900 gal) 20% HCl.
	Flush w/ 44 bbl biocide-treated brine. Reported "no communication" w/ Grayburg perforation interval: 3872-3976
	P(avg): 2800#. AIR: 5 BPM. ISIP: Not reported
	Re-set RBP @ 4027. Test RBP @ 4600#. Re-set PKR @ 3818.
	Acd Grayburg: 3872-3976 (+72/-32) w/ 2500 gal 15% HCl:
	Displace tbg to PKR by-pass w/ 24 bbl (1000 gal) 15% HCl. Close by-pass. Breakdown @ 2983#. Pump 36 bbl (1500 gal) 15% HCl.
	Flush w/ 42 bbl biocide-treated brine.
	P(avg): 2950#. AIR: 5 BPM. ISIP: Not reported
	Release PKR & POOH w/ tbg & PKR. NU frac valve.
07.09.09	Frac Grayburg: 3872-3976 (+72/-32) down 5-1/2", 17#, J-5 csg:
	Run FET: Breakdown @ 2393#. 15.1 BPM @ 2736#; 19.9 BPM @ 2777#; 14.5 BPM @ 2639#; 7.1 BPM @ 2499#.
	ISIP: 2353# (grad.: 1.04 psi/ft). SICP(5 min): 2150#.
	Frac w/: 34,898 gal & 66,956# 16/30 w/ 1.0-1.5% PropNet. Flush w/ biocide-treated fresh water.
	P(max): 3453#. P(avg): 3111#. AIR: 28.5 BPM. ISIP: 2621# (grad.: 1.11 psi/ft). SICP(5 min): 2413#
	Open well. Flow back 5 hrs. Rec 500 BLW (ARO: 1.7 BPM)
07.10.09	Kill well w/ 70 bbl 10# brine. RIH w/ 2-7/8" tbg & RBP retrieving head. Tag @ reported depth 4097 (07.07.09: RBP set @ 4027????).
	Clean-out to RBP. Latch onto RBP. Kill well w/ 60 bbl 10# brine. POOH to 2500. Well trying to flow. SIOWE.
07.13.09	SIP: 1000#. Pump 15 bbl kill mud (15 ppg??) down tbg & 50 bbl kill mud down csg. Well dead. POOH w/ tbg & RBP.
	RIH w/ 2-7/8" production tbg w/ SN, endura jt & TAC. ND BOP. NU well.
07.14.09	RIH w/ rods & pump. Circ well w/ 120 bbl 10# brine to displace kill mud. Seat pump. Reported SIP: 700#. RD.
	Workover: Down Hole Failure
07.07.10	Un-seat pump. Rods possibly parted. Well flowing approximately 2 BPM. POOH & LD rods (rod boxes worn down...."could almost see pin"
07.08.10	Finish POOH & LD rods. Open csg & blow csg down. ND well. NU BOP. Attempt to release TAC @ 3800. Tbg parted. POOH w/ 20 stands tbg
	(tbg collars described as "pitted"). RIH w/ tbg. POOH & LD tbg. Rec 101 jts (3101 ft.)
07.09.10	RU pump-truck. Pumped 105 bbl inhibited biocide-treated PKR fluid. Attempt to RIH w/ WL-set RBP. Lost plug down-hole.
07.12.10	SD. No rig crew
07.13.10	SD. Rig crew attending Safety Leadership class
07.14.10	RIH w/ 4-5/8" OS w/ 3-1/4" grapple, 2-7/8" drain-sub, BS, 3-3/4" jars, 4: 3-1/2" DC, 3-3/4" accelerator sub on 2-7/8" tbg.
	Tag @ 3082 (Note: recovered tbg to 3101 per report of 07.08.10). Set down 6 pts. PU & gained 2 pts. POOH w/ 14 pts drag.
	Work pipe down & up w/ 2 pts drag. Pipe quit pulling wet @ 2400. POOH w/ WS. No recovery. RIH w/ same BHA. Tag @ 3075.
	Latch onto fish w/ OS. POOH w/ 10 stands & lost fish. RIH & latch onto fish. POOH w/ 5 stands & lost fish. POOH. SION.
07.15.10	RIH w/ BHA w/ 1-3/8" grapple. Tag @ 3073. Work to 3082. POOH w/ BHA. No recovery. All tools full of parrafin
	RIH w BHA w/ 3-1/4" grapple to 3073. RU pump-truck. Wash down to 3100. Latch onto fish. Trip jars twice & came free.
	POOH w/ BHA. Recovered setting tool for RBP. RIH w/ tbg & retrieving head. Wash down to RBP. Latch onto RBP. POOH w/ tbg & RBP.
07.16.10	RIH w/ tbg & RBP to 3000. Set RBP @ 3000. Test csg @ 500# for 30 min. Test OK. Circ well w/ inhibited biocide-treated PKR brine.
	POOH & LD tbg. ND BOP. NU well. Well TA.

	NOTE: No record of recovering 2-7/8 tbg below 3100. Possible fish-in-hole:
	2-7/8", 6.5#, J-55 tbg: 3100-3727
	2-7/8", 6.5# J-55 marker sub: 3728-3736
	2-7/8", 6.5#, J-55 tbg: 3736-3797
	2-7/8" x 5-1/2", 17# TAC: 3797-3800
	2-7/8", 6.5#, J-55 tbg: 3800-4108
	2-7/8", 6/5#, J-55 endura jt.: 4108-4140
	2-7/8" SN: 4140-4141
	Workover: Down Hole Recovery Effort (2nd attempt)
05.08.12	MI & RU well service. MI tbg pick-up machine.
05.09.12	MI pipe racks & 2-7/8" workstring. PU tbg & RIH to RBP @ 3000. POOH w/ tbg & RBP.
	RIH w/ 4-11/16" OS w/ 3-21/32" grapple, 3-3/4" bumper sub, 3-3/4" jars, 6: 3-1/2" DC on 2-7/8" tbg. Tag @ 3109. Unable to engage grapple. POOH.
05.09.12	Change out 3-21/32" grapple grapple in OS to 2-7/8". RIH w/ BHA. Tag @ 3109. Engage grapple. Pull 8000# over string wt. Attempt to release TAC.
	OS came free. SION.
05.10.12	SIP: 250#. Bleed prs down.. POOH w/ tbg & BHA. Rec 1 jt: 2-7/8" tbg (29.75 ft.).....tbg jt was split on both ends and pitted entire length
	RIH w/ 4-11/16" OS w/ 2.5 ft. extension, 3-3/4" BS, 3-3/4" jars, 6: 3-1/2" DC & 2-7/8' tbg. Tag @ 3139. Engage OS. Work tbg. OS came free.
	POOH w/ BHA. Rec 3 jts 2-7/8" tbg. RIH w/ BHA. Tag @ 3230. Engage OS. Pull 10,000#. OS came free. POOH. Rec 2-7/8" tbg collar.
	RIH w/ BHA to 2000. SION.
05.11.12	RIH w/ BHA to 3000. Circ well 10# biocide-treated brine. RIH w/ BHA. Tag @ 3230. Attempt to engage OS. OS came free. POOH w/ BHA.
	Rec 20 ft. piece of 2-7/8" tbg. SIOWE.
05.14.12	NU hydril on BOP. Wait on bad weather to pass.
	PU & RIH w/ 4-11/16" OS w/ 3-21/32" grapple, XO, 1 jt 4-1/2" WP, top-sub, 3-3/4" BS, 3-3/4" jars, 6: 3-1/2" DC & 2-7/8" tbg. SD (bad weather)
05.15.12	RIH w/ BHA. Tag @ 3250. Work OS to 3262. Unable to work pass 3262. Unable to engage OS. POOH w/ BHA. No recovery.
	PU & RIH w/ SOD shoe, 3 jts 4-1/2" WP, top-sub, 6: 3-1/2" DC. Tag @ 3250. Wash over 3250-3271 in 4.5 hrs. Pull uphole to 3250. SION.
05.16.12	SIP: 0#. RIH to 3271. Cutting on "junk": 3271-3275 in 5 hrs (0.8 FPH). Unable to get below 3275. POOH w/ BHA. Shoe worn out.
	Rec 3 ft of "solid metal" in shoe. RIH w/ new 4-3/4" shoe, 3 jts: 4-1/2" WP, 3-3/4" jars & 6: 3-1/2" DC on tbg to 3275.
	Cut: 3275-3275.5 in 2.5 hrs (0.5 ft ARO 0.2 FPH). Circ well. SION.
05.17.12	Resume cutting: 3275.5-3277.5 in 3.5 hrs (2 ft ARO: 0.6 FPH). Shoe worn out. POOH w/ BHA. Rec 1 ft. "twisted up tbg" in shoe
	LD WP & DC. SION.
05.18.12	RIH w/ tbg & PKR. Set PKR @ 3054. Prs-test tbg-csg annulus @ 500#. Test OK. Unable to pump down tbg @ 1000#.
	Circ PKR fluid. ND BOPE. NU well. RD & MO service unit.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

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 this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. Notification: **Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.**

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** 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 are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**
The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. 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.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

J. Amos 3/6/11

Requirements for ground level dry hole markers
Well Identification Markers
Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.

2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum ¼ inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.

3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.

4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.

    a. First row: Operators name
    b. Second row: Well name and number
    c. Third row: Legal location to include ¼ ¼, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the ¼ ¼ (example: 1980 FNL 1980 FWL) being on the top row.
    d. Fourth row: Lease Number and API number.
        i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a ground level dry hole marker was installed as required in the COA's from the BLM.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

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In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.

2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.

3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.

4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.

6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.

7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Inspection & Enforcement

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Mike Burton
Environmental Protection Specialist
575-234-2226

Jeffery Robertson
Natural Resource Specialist
575-234-2230

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

Doug Hoag
Civil Engineering Technician
575-234-5979

Linda Denniston
Environmental Protection Specialist
575-234-5974

Permitting

Cody Layton
Natural Resource Specialist
575-234-5959

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Todd Suter
Surface Protection Specialist
575-234-5987

Tanner Nygren
Natural Resource Specialist
575-234-5975

Amanda Lynch
Natural Resource Specialist
575-234-5922

Leglon Brumley
Environmental Protection Specialist
575-234-5957

Realty, Compliance

Randy Pair
Environmental Protection Specialist
575-234-6240