



## Conditions of Approval

**Pierce Production Company**  
**GPS - 01, API 3002522768**  
**T22S-R38E, Sec 06, 660FSL & 1980FEL**  
**September 24, 2015**

1. Before casing or a liner is added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
2. Subject to like approval by the New Mexico Oil Conservation Division.
3. Use of class "H" cement at depths greater than 7500ft & "C" at depths less than 7500ft will be necessary. Class "C" squeeze cement is to be mixed 14.8#/gal, 1.32 ft<sup>3</sup>/sx, 6.3gal/sx water and "H" mixed 16.4#/gal, 1.06ft<sup>3</sup>/sx, 4.3gal/sx water.
4. Surface disturbance beyond the existing pad shall have prior approval.
5. 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.
6. Functional H<sub>2</sub>S monitoring equipment shall be on location.
7. 3000 (3M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Blind ram(s) and pipe ram(s) designed to close on all workstring diameters used is required equipment. A manual BOP closure system (hand wheels) shall be available for use regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
8. 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.
9. The Well Completion report dated 07/15/2015 does not list the open Drinkard perforations of 01/10/1989. The subsequent report is not scanned into the NMOCD wellfile and was found in the BLM wellfile. A copy of that sundry is attached to these conditions of approval. Resubmit the BLM Form 3160-4 reflecting post workover wellbore conditions, including disposition of gas, summary of porous zones, and formation log markers.
10. After drilling out the squeezed perms, **perform a charted casing integrity test** of 500psig minimum. Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 25 to 85 per cent of its full range. **Verify all**

**annular casing vents are plumbed to the surface and open during this pressure test. Call BLM 575-393-3612 and arrange for a BLM witness of that pressure test.** Include a copy of the chart in the subsequent sundry for this workover.

11. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 6800 or below to top of cement taken with 0psig casing pressure. The CBL may be attached to a pswartz@blm.gov email. The CFO BLM on call engineer may be reached at 575-706-2779.**
12. 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.
13. Submit a (BLM Form 3160-5 subsequent report (daily reports) via BLM's Well Information System; <https://www.blm.gov/wispermits/wis/SP> (email [pswartz@blm.gov](mailto:pswartz@blm.gov) for operator setup instructions) describing all wellbore activity and Mechanical Integrity Test. Include the date(s) of the well work, and the setting depths of installed equipment.
14. Submit the BLM Form 3160-4 Recompletion Report within 30 days of the date all BLM approved procedures are complete.

This well's recorded activity has been nonproductive/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 "beneficial use" i.e. production in **paying quantities** or of service use. Return the well to "beneficial use" on or before 01/05/2016 in an acceptable wellbore integrity condition.

- Submit evidence to support your determination that active "beneficial use" exists for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies).
- Should "beneficial use" not be achieved submit for BLM approval a plan for plug and abandonment.

**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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
M - CARLSBAD

SUBMIT IN TRIPlicate\*  
(Other instructions on re-  
verse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT" for such proposals.)

5. LEASE DESIGNATION AND SERIAL NO  
**NM-029029**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
**American Exploration Company**

8. FARM OR LEASE NAME  
**Federal GPS**

3. ADDRESS OF OPERATOR  
**2100 RepublicBank Center, Houston, Texas 77002**

9. WELL NO.  
**1**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below)  
At surface  
**1980' FEL & 660' FSL of Sec. 6, T22S, R38E, Lea Co., N.M.**

10. FIELD AND POOL, OR WILDCAT  
**Blinebry-Wantz Abo/Drinkard**

11. SEC., T., S., R., OR BLK. AND SURVEY OR AREA  
**Sec. 6, T22S, R38E**

14. PERMIT NO

15. ELEVATIONS (Show whether DF, RT, CR, etc.)  
**3358.5'**

12. COUNTY OR PARISH  
**Lea**

13. STATE  
**New Mexico**

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANE

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17 DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

1/20/89 Perforated the Drinkard Formation at 6,769', 34', 6,694', 74', 66', 56' 44', 30', 26', 16', 14', 08', 6,600', 6598', 90', 69', 67', 46', 38'. Set RBP at 6,850', pkr. 6,835'. Acidized across perms. 6,546-6,769'. Recovered load wtr. and returned well back to production on pump at rate of 26 BO, 28 BW.

RECEIVED

MAR 6 9 46 AM '89  
CARLSBAD BOE  
AREA OFFICE



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

SIGNED Marty McClanahan TITLE Sr. Prod. Analyst

DATE 2/20/89

(This space for Federal or State office use)  
**(ORIG. SGD.) DAVID R. GLASS**

APPROVED BY DAVID R. GLASS TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL MAR 10 1989

CARLSBAD, NEW MEXICO See Instructions on Reverse Side

Operator: Pierce Production Company  
 Surface Lease: NM029029 BHL: NM029029  
 Case No: NM029029 Lease Agreement

Well: FEDERAL GPS-1  
 API: 3002522768  
 @ Srfce: T22S-R38E,06.660s1980e  
 @ M TD: T22S-R38E,06.660s1980e

Subsurface Concerns for Casing Designs: , , , ,  
 Well Status: Oil  
 Spud date: 09/18/1968  
 WDW, Rt of Way: 0  
 Admn Order, date: 0  
 Formation, Depths, psig: 0

KB: 3377  
 GL: 3366  
 Corr: 11

Estate: P\|F\|F

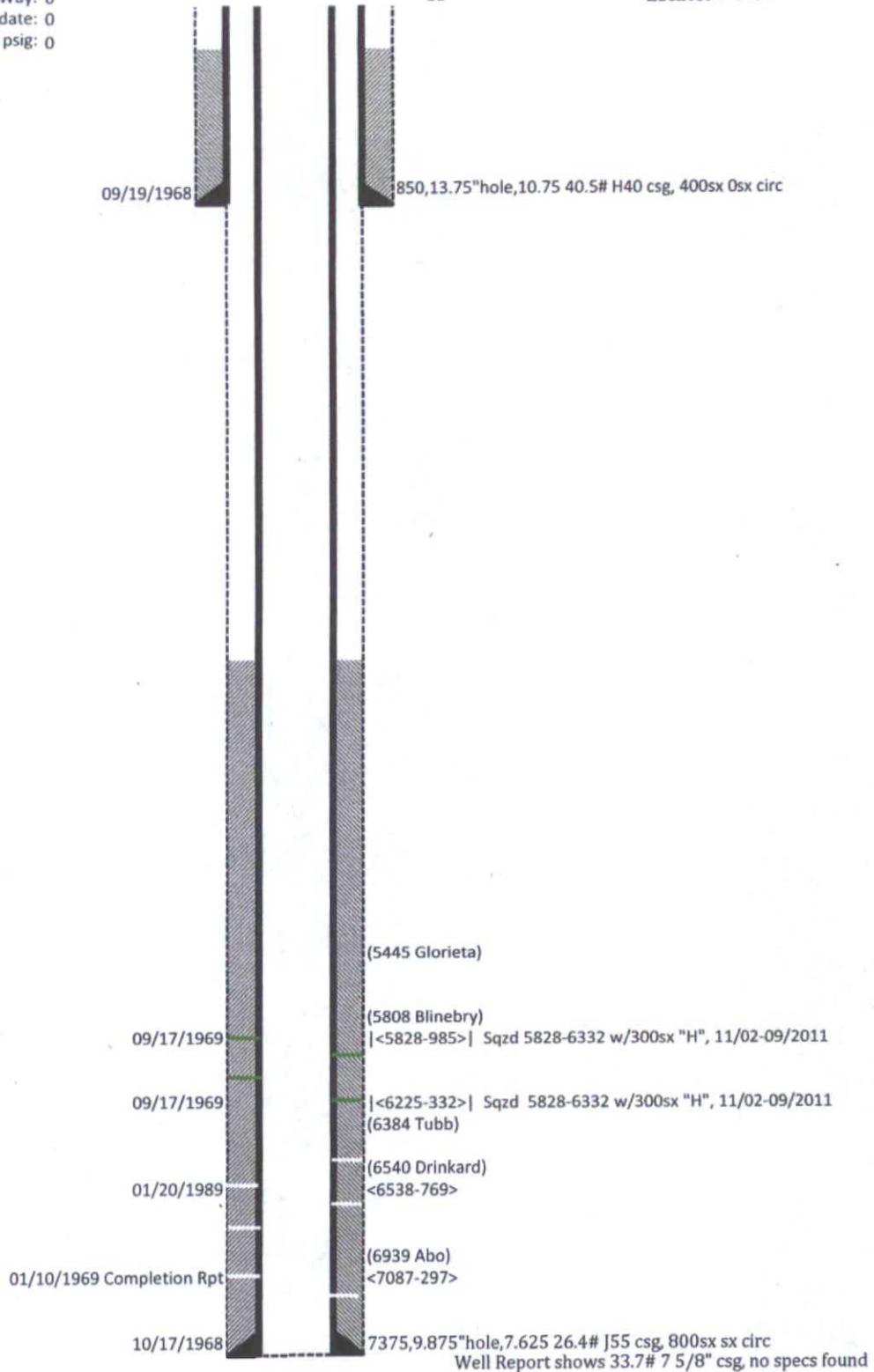


Diagram last updated: 09/23/2015