

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD  
Hobbs

FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

**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 page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

CML Exploration, LLC

3a. Address P.O. Box 890  
Snyder, TX 79550

3b. Phone No. (include area code)  
(325) 573-0750

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

600' FNL & 400' FEL Sec. 24, T-17-S, R-32-E

5. Lease Serial No.

LC-059152b

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Paddy 24 Federal No. 1

9. API Well No.

30-025-37378

10. Field and Pool or Exploratory Area

Wildcat G-03 S173318N; Yeso 97727

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"/> Hydraulic Fracturing	<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 checked="" type="checkbox"/> Temporarily Abandon	
	<input 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 recompleat 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 recompleat 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 detennined that the site is ready for final inspection.)

CML Exploration, LLC is requesting permission to temporarily abandon the above mentioned well. This well was completed in Jan. 2006 and has produced 78,000 bbl of oil and 46,000 MCF since then and currently produces on average 3.8 BOPD, 107 BWPD & 0 MFCD. In December of 2012, an attempt was made to re-stimulate the producing interval by hydraulic fracturing, but was unsuccessful. Based on our current operating costs this well has already surpassed it's economic limit and is currently producing to stay in compliance and keep the wellbore open for future field development. We believe it is necessary at this time to temporarily abandon the well and evaluate for possible use as an injection well.

Work will commence within 2 weeks of receiving approval and should last no longer than 3 days, assuming no unforeseen complications arise. The plan will call for removing the rods, pump and tubing. Then a cast iron bridge plug will be set on wireline at 5,800' (perforations from 5,854'-5,868') and 35' of cement will be dump bailed on top. Proposed PBTD = 5,765'. A pump truck will be used to run a 30 minute pressure test ( @ 550 psig) on the plug to confirm zonal isolation and wellbore integrity. Tubing will be run back in the well to approximately 5,740'.

Attached to this form is the TA well bore, decline curves & financial statements justifying our position.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

Jordan Owens

Title Engineer

Signature

Date

7/6/2016

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.

(Instructions on page 2)

FOR RECORD ONLY  
MW/OCD 12/20/2010

RKB 4125'  
GL 4109'

Lease & Well No.:

**Paddy"24" Federal No. 1**

Well Category:

Area:

**New Mexico**

Subarea:

**Paddock**

Legal Description:

**API # 30-025-37278**

**400' FEL, 660' FNL, Sec 24, T-17-S,R-32-E Survey**

**Lea County New Mexico**

Spudded: 10/26/2005

TD: 12/1/2005

Completed: 1/21/2006

Stimulation: (6050-53) 500 gals 15% HCL

12/28/05 CIBP @ 6000' w/ 20' cement

12/31/05 (5854 - 68') 1500gal15%HCL

12/4/08 - 3000 gals of 20% HCL + 100 balls

3/22/12 - 500 gals xylene + 2500 gals of 15%  
HCL & 100# rock salt

12/19/12 Frac 52K gals 15# gel & 62K lbs of

16/30 sand

446'

17½" hole

13 3/8" 48# J55

set @ 446'

500 sx cement

11" hole

8 5/8" 32# J-55

set @ 4813'

4813'

2960sx cemt., TOC = surface'

5 1/2" TOC @1700' (CBL)

PRESSURE DATA

NONE

**Production Tbg**

178 jts 2 7/8" tubing

**PROPOSED TA PLUG @ 5800' w/ 35' cement**

**Paddock Perfs**

**5854-68' (4 spf) 56 holes**

**5½" CIBP @ 6000' w/ 20' cement**

**6050-53' (4 spf)**

**5 1/2"17#- J-55 @ 6195'**

**Cmt'd w/ 500 sks**

PBTD: 5980'

TD: 6200'



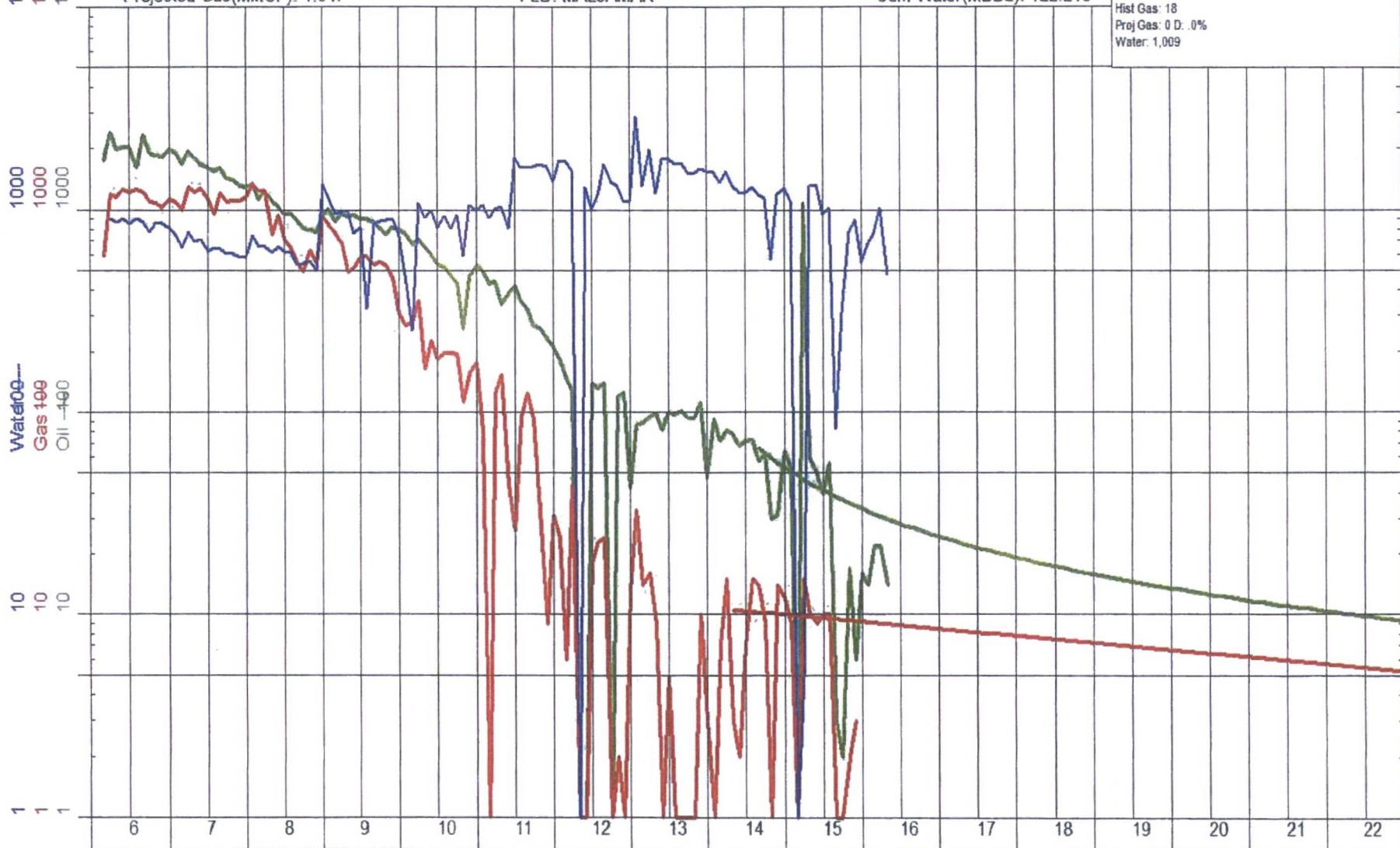
Rate/Day  
10000  
10000  
10000

Unique ID: PADDY24-1  
Projected Oil(MBBL): 2.602  
Projected Gas(MMCF): 1.647

LEASE:  
WELL: PADDY 24 FEDERAL #1  
FLD: MALJAMAR

Cum Oil(MBBL): 78.49  
Cum Gas(MMCF): 46.397  
Cum Water(MBBL): 122.213

Date: 06/2012  
Hist Oil: 139.0  
Proj Oil: 0.0%  
Hist Gas: 18  
Proj Gas: 0.0%  
Water: 1.009



Oil - HYP 1.0 - 52.09%

Gas - EXP 0.0 - 7.70%

CML Exploration, LLC  
Gross Working Interest P&L by Activity Month  
PADDY 24 FED #1  
MALJAMAR PROSPECT

4500.020

Net Revenue Interest  
0.735

	01/31/14	02/28/14	03/31/14	04/30/14	05/31/14	06/30/14	07/31/14	08/31/14	09/30/14	10/31/14	11/30/14	12/31/14	YTD
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	12 months
<b>Volumes</b>													
3.OIL OIL- NET WI (Bbls)	-	-	-	-	259	-	-	-	-	-	-	258	517
3.GASV GAS - NET WI (MCF)	0	2	4	1	0	2	5	5	3	-	5	4	33
<b>Gross Sales</b>													
3.OIL OIL & CONDENSATE - NET WI	\$ -	\$ -	\$ -	\$ -	\$ 23,409.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,805.67	\$ 37,214.87
3.GASAA GAS - NET WI	\$ 3	\$ 29	\$ 52	\$ 11	\$ 7	\$ 23	\$ 50	\$ 44	\$ 29	\$ -	\$ 35	\$ 24	\$ 307
<b>Total Sales - Net WI</b>	<b>3</b>	<b>29</b>	<b>52</b>	<b>11</b>	<b>23,416</b>	<b>23</b>	<b>50</b>	<b>44</b>	<b>29</b>	<b>-</b>	<b>35</b>	<b>13,830</b>	<b>37,522</b>
<b>Average Price</b>													
OIL & CONDENSATE (per Bbl)	\$ -	\$ -	\$ -	\$ -	\$ 90.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53.46	\$ 71.97
GAS (per MCF)	\$ 37.64	\$ 12.74	\$ 12.62	\$ 10.86	\$ 15.03	\$ 9.52	\$ 9.57	\$ 8.95	\$ 9.27	\$ -	\$ 7.13	\$ 5.79	\$ 9.38
<b>Gross Operating Costs</b>													
3.800.010 POH - PRODUCING OVERHEAD	996	996	996	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	12,171
3.800.020 LOE - COMPANY PUMPER	552	552	552	552	552	552	552	552	552	552	552	552	6,624
3.800.030 LOE - CONTRACT PUMPING	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.040 LOE - COMPRESSION FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.050 LOE - COMPRESSOR RENTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.060 LOE - UTILITIES	688	682	622	1,331	-	661	1,240	(131)	667	694	417	497	7,368
3.800.070 LOE - COMPANY LABOR	50	50	50	50	50	50	50	50	50	50	3,550	50	4,100
3.800.080 LOE - CHEMICALS	790	301	301	993	451	301	1,191	301	744	451	301	301	6,425
3.800.090 LOE - FIELDMAN EXPENSES	-	-	-	-	-	-	-	-	-	-	25	-	25
3.800.100 LOE - CONTRACT SERVICES	-	-	-	-	-	-	-	-	-	-	1,877	-	1,877
3.800.110 LOE - DAMAGES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.120 LOE - DIRTWORK	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.125 LOE - DISTRICT EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.130 LOE - ENVIRONMENTAL COMPLIANCE	-	13	-	-	-	-	-	-	-	-	-	-	13
3.800.140 LOE - EQUIPMENT RENTAL	-	-	-	-	-	-	-	-	-	-	537	-	537
3.800.150 LOE - EQUIPMENT REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.160 LOE - FRESH WATER INJECTION	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.170 LOE - FUEL, OIL, AND PROPANE	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.180 LOE - GATHERING & MKTG FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.190 LOE - HOT OIL TREATMENT	386	-	363	313	-	-	313	313	313	-	444	-	2,444
3.800.200 LOE - INSURANCE & BONDS	-	117	(18)	46	-	-	-	-	-	-	609	-	755
3.800.210 LOE - LANDMAN - CONTRACT	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.215 LOE - LANDMAN - COMPANY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.220 LOE - LEGAL FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.230 LOE - LOCATION & ROADS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.240 LOE - MAT & SUPPLIES - SURFACE	-	143	-	-	-	-	-	-	-	-	-	-	143
3.800.250 LOE - MAT & SUPPLIES - SUBSURFA	-	-	-	-	-	-	-	-	-	-	1,289	-	1,289
3.800.260 LOE - MINIMUM ROYALTY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.270 LOE - MISCELLANEOUS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.280 LOE - PERMITS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.290 LOE - PIT CLEANUP	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.300 LOE - PUMP TRUCK	-	-	-	-	-	-	-	-	-	-	1,105	-	1,105
3.800.310 LOE - PROPERTY TAXES	-	-	-	-	-	-	-	-	-	-	343	-	343
3.800.320 LOE - PULLING UNIT	-	-	-	-	-	-	-	-	-	-	10,803	-	10,803
3.800.330 LOE - RECORDING FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.340 LOE - REPAIRS & MAINT-SUBSURFA	-	-	-	-	-	-	-	-	-	-	1,855	-	1,855
3.800.345 LOE - REPAIRS & MAINT-SURFACE	-	1,069	-	-	818	-	-	-	-	-	-	-	1,886
3.800.350 LOE - RIGHT OF WAY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.360 LOE - ROUSTABOUT SERVICES	-	1,196	-	570	-	-	-	-	-	342	114	-	2,222
3.800.370 LOE - SALT WATER DISPOSAL	3,026	2,728	3,090	2,600	2,432	2,418	2,588	2,364	2,288	1,130	2,374	2,534	29,572
3.800.380 LOE - SAND CONTROL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.390 LOE - SUBMERSIBLE PUMP REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.400 LOE - SWAB UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.410 LOE - TANK CLEANING	-	134	-	-	-	-	-	-	-	-	-	-	134
3.800.420 LOE - TRUCKING & HAULING	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.430 LOE - VACUUM TRUCK	-	818	-	-	-	-	-	-	-	-	-	-	818
3.800.440 LOE - VEHICLE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.450 LOE - WEED CONTROL	-	-	-	183	-	-	-	-	-	-	-	-	183
3.800.460 LOE - WELDER	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.470 LOE - WIRELINE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.888 LOE - MRU FACILITY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.999 LOE - NON-OPERATED WELLS	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total LOE Expense</b>	<b>6,487</b>	<b>8,797</b>	<b>5,956</b>	<b>7,657</b>	<b>5,323</b>	<b>5,002</b>	<b>6,954</b>	<b>4,469</b>	<b>5,633</b>	<b>4,239</b>	<b>27,216</b>	<b>4,955</b>	<b>92,690</b>
<b>REVENUE PRODUCTION TAXES</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>2,003</b>	<b>2</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>1,193</b>	<b>3,221</b>
3.500.040 COMPRESSION - BILLED THROUGH REV	-	-	-	-	-	-	-	-	-	-	-	-	-
3.410.110 REVENUE OTHER MARKETING CHARGES	247	249	250	248	248	249	250	250	249	247	250	250	2,987
3.840 WORKOVER COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Costs</b>	<b>6,735</b>	<b>9,049</b>	<b>6,211</b>	<b>7,906</b>	<b>7,574</b>	<b>5,253</b>	<b>7,209</b>	<b>4,724</b>	<b>5,885</b>	<b>4,486</b>	<b>27,470</b>	<b>6,397</b>	<b>98,898</b>
<b>Income From Operations - Net WI</b>	<b>\$ (6,732)</b>	<b>\$ (9,019)</b>	<b>\$ (6,159)</b>	<b>\$ (7,896)</b>	<b>\$ 15,842</b>	<b>\$ (5,229)</b>	<b>\$ (7,159)</b>	<b>\$ (4,680)</b>	<b>\$ (5,856)</b>	<b>\$ (4,486)</b>	<b>\$ (27,435)</b>	<b>\$ 7,433</b>	<b>\$ (61,376)</b>
<b>TOTAL LOE EXPENSE - PRODUCING OH</b>	<b>5,492</b>	<b>7,802</b>	<b>4,960</b>	<b>6,637</b>	<b>4,303</b>	<b>3,982</b>	<b>5,934</b>	<b>3,449</b>	<b>4,613</b>	<b>3,219</b>	<b>26,196</b>	<b>3,934</b>	
BOE (10:1)	0	2	4	1	26	2	5	5	3	0	5	30	
LOE EXPENSE / BOE	\$67,926.90	\$3,413.00	\$1,200.84	\$6,840.86	\$163.53	\$1,621.86	\$1,129.11	\$703.50	\$1,462.95	#DIV/0!	\$5,343.45	\$131.07	

CML Exploration, LLC  
Gross Working Interest P&L by Activity Month  
PADDY 24 FED #1  
MALJAMAR PROSPECT

4500.020

Net Revenue Interest 0.735		01/31/15	02/28/15	03/31/15	04/30/15	05/31/15	06/30/15	07/31/15	08/31/15	09/30/15	10/31/15	11/30/15	12/31/15	YTD 12 months
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	
<b>Volumes</b>														
3.OIL	OIL - NET WI (Bbls)	-	-	-	-	-	-	-	-	-	-	-	-	-
3.GASV	GAS - NET WI (MCF)	3	-	2	4	3	4	3	-	-	1	1	-	20
<b>Gross Sales</b>														
3.OIL	OIL & CONDENSATE - NET WI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.GASAA	GAS - NET WI	15	-	9	17	14	15	15	-	-	5	3	-	94
<b>Total Sales - Net WI</b>		15	-	9	17	14	15	15	-	-	5	3	-	94
<b>Average Price</b>														
OIL & CONDENSATE (per Bbl)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GAS (per MCF)		\$ 4.83	\$ -	\$ 4.97	\$ 4.92	\$ 4.58	\$ 4.32	\$ 4.42	\$ -	\$ -	\$ 4.54	\$ 3.94	\$ -	\$ 4.61
<b>Gross Operating Costs</b>														
3.800.010	POH - PRODUCING OVERHEAD	1,020	-	1,020	1,064	1,064	1,064	1,064	1,064	-	1,064	1,064	1,064	10,555
3.800.020	LOE - COMPANY PUMPER	552	-	552	552	552	552	552	552	-	552	552	552	5,520
3.800.030	LOE - CONTRACT PUMPING	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.040	LOE - COMPRESSION FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.050	LOE - COMPRESSOR RENTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.060	LOE - UTILITIES	579	579	193	457	596	543	449	536	97	215	330	326	4,900
3.800.070	LOE - COMPANY LABOR	50	720	1,050	50	50	50	50	50	400	1,050	50	50	3,620
3.800.080	LOE - CHEMICALS	297	298	298	446	893	298	298	298	-	-	149	-	3,273
3.800.090	LOE - FIELDMAN EXPENSES	45	-	26	-	-	-	-	-	-	32	-	-	103
3.800.100	LOE - CONTRACT SERVICES	-	-	-	-	-	890	-	100	-	-	-	-	990
3.800.110	LOE - DAMAGES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.120	LOE - DIRTWORK	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.125	LOE - DISTRICT EXPENSE	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.130	LOE - ENVIRONMENTAL COMPLIANCE	-	-	-	261	-	-	-	-	-	-	-	-	261
3.800.140	LOE - EQUIPMENT RENTAL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.150	LOE - EQUIPMENT REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.160	LOE - FRESH WATER INJECTION	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.170	LOE - FUEL, OIL, AND PROPANE	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.180	LOE - GATHERING & MKTG FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.190	LOE - HOT OIL TREATMENT	300	-	-	300	353	353	353	-	496	-	-	-	2,154
3.800.200	LOE - INSURANCE & BONDS	-	107	-	-	-	-	-	71	1	-	-	635	815
3.800.210	LOE - LANDMAN - CONTRACT	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.215	LOE - LANDMAN - COMPANY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.220	LOE - LEGAL FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.230	LOE - LOCATION & ROADS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.240	LOE - MAT & SUPPLIES - SURFACE	-	-	-	1,948	-	850	-	-	6	-	-	-	2,805
3.800.250	LOE - MAT & SUPPLIES - SUBSURFA	-	-	55	-	-	-	-	-	673	-	-	-	728
3.800.260	LOE - MINIMUM ROYALTY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.270	LOE - MISCELLANEOUS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.280	LOE - PERMITS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.290	LOE - PIT CLEANUP	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.300	LOE - PUMP TRUCK	-	-	698	-	-	-	-	-	531	-	-	-	1,229
3.800.310	LOE - PROPERTY TAXES	-	-	-	-	-	-	-	-	-	148	-	-	148
3.800.320	LOE - PULLING UNIT	-	-	3,835	-	-	-	-	-	3,110	-	-	-	6,945
3.800.330	LOE - RECORDING FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.340	LOE - REPAIRS & MAINT-SUBSURFA	-	-	1,770	-	-	-	-	-	-	899	-	-	2,669
3.800.345	LOE - REPAIRS & MAINT-SURFACE	1,713	-	-	1,717	-	3,042	-	-	-	857	-	-	7,330
3.800.350	LOE - RIGHT OF WAY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.360	LOE - ROUSTABOUT SERVICES	2,832	-	-	227	-	3,170	-	-	-	-	-	-	6,228
3.800.370	LOE - SALT WATER DISPOSAL	2,632	-	2,156	2,608	2,622	1,910	2,048	166	618	1,778	1,546	1,106	19,190
3.800.380	LOE - SAND CONTROL	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.390	LOE - SUBMERSIBLE PUMP REPAIRS	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.400	LOE - SWAB UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.410	LOE - TANK CLEANING	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.420	LOE - TRUCKING & HAULING	280	-	-	-	-	918	-	-	-	-	-	-	1,198
3.800.430	LOE - VACUUM TRUCK	1,656	-	-	-	-	92	-	-	-	-	-	-	1,749
3.800.440	LOE - VEHICLE EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.450	LOE - WEED CONTROL	-	-	183	-	-	-	-	-	-	-	-	-	183
3.800.460	LOE - WELDER	-	-	-	-	-	338	-	-	-	-	-	-	338
3.800.470	LOE - WIRELINE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.888	LOE - MRU FACILITY	-	-	-	-	-	-	-	-	-	-	-	-	-
3.800.909	LOE - NON-OPERATED WELLS	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total LOE Expense</b>		11,956	1,704	11,834	9,830	6,130	14,070	4,814	2,837	5,933	6,596	3,691	3,733	82,928
3.TAXAA	REVENUE PRODUCTION TAXES	1	-	1	2	1	1	1	-	-	0	0	-	9
3.500.040	COMPRESSION - BILLED THROUGH REV	-	-	-	-	-	-	-	-	-	-	-	-	-
3.410.110	REVENUE OTHER MARKETING CHARGES	249	247	248	249	249	249	249	247	247	248	248	247	2,979
3.840	WORKOVER COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Costs</b>		12,206	1,951	12,083	9,881	6,381	14,321	5,065	3,084	6,180	6,844	3,939	3,980	85,916
<b>Income From Operations - Net WI</b>		\$ (12,191)	\$ (1,951)	\$ (12,075)	\$ (9,864)	\$ (6,366)	\$ (14,306)	\$ (5,049)	\$ (3,084)	\$ (6,180)	\$ (6,836)	\$ (3,936)	\$ (3,980)	\$ (85,822)
<b>TOTAL LOE EXPENSE - PRODUCING OH</b>		10,935	1,704	10,814	8,566	5,066	13,006	3,750	1,773	5,933	5,531	2,626	2,669	
<b>BOE (10:1)</b>		3	0	2	4	3	4	3	0	0	1	1	0	
<b>LOE EXPENSE / BOE</b>		\$3,468.09	#DIV/0!	\$6,181.86	\$2,443.26	\$1,606.67	\$3,709.69	\$1,071.79	#DIV/0!	#DIV/0!	\$5,262.78	\$3,722.25	#DIV/0!	



## 4500.035

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

**Approved for a period of 1 year ending 12/07/2017 subject to conditions of approval.**

**Temporary Abandonment of Wells on Federal Lands**  
**Conditions of Approval**

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
  - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, placed with tubing, or 35 feet of cement if placed with bailer.
  - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
  - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
  - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
  - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...**

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval **with wellbore diagram** with all perforations and CIBP's and tops of cement on CIBP's.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

**Paddy 24 Federal 1**

1. Well is approved to be TA/SI for a period of 1 year or until 12/07/2017
2. Must submit NOI to recomple or NOI to P&A. Must be submitted by 12/07/2017
3. COA's met at this time.