

OCD-HOBBS

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.*FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

5. Lease Serial No.

NMLC063798

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Bell Lake #19

9. API Well No.

30-025-262257

10. Field and Pool, or Exploratory Area

S. Bell Lake Morrow (Gas)

11. County or Parish, State

Lea/NM

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well

☐ Oil Well☒ Gas Well☐ Other

2. Name of Operator

Kaiser-Francis Oil Company

3a. Address

P. O. Box 21468, Tulsa, OK 74121-

3b. Phone No. (include area code)

918-491-4314

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

NW NE (660' FNL & 1980' FEL) of Sec. 12-24S-33E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back

TYPE OF ACTION

☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other Request temporary
TA status

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 shall 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 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.)

This is to request TA status approval for 90 days. It is Kaiser-Francis Oil Company's intention to test the Bone Springs and Delaware formations in this well before plugging. KFOC does not own the rights to these two zones. The rights are owned by Chaparral. Attached is a letter that we have sent to Chaparral asking their review of these zones and requesting they decide if they want to test these zones. If they do not want to test these zones, KFOC does. Once this matter is resolved, we will submit a sundry notice to workover the well or transfer ownership to Chaparral.

Attached is a wellbore diagram & a copy of the letter to Chaparral for your review.

APPROVED FOR 3 MONTH PERIOD
ENDING 7/5/0614. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)

Charlotte Van Valkenburg

Title Technical Coordinator

Signature

Date 3/28/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Mrs. Babjak

Title

P.E.

Date

4/4/06

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)

GWW

March 27, 2006

United States Department of the Interior
Bureau of Land Management
Attn: Mr. Les Babyak
620 E. Greene Street
Carlsbad, NM 88220

Dear Mr. Babyak:

Re: Bell Lake #19
12-24S-33E
Lea Co., NM.

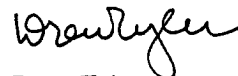
Per our discussion of March 24, 2006, I am asking for a reconsideration of the TA request of the Bell Lake #19. Originally we talked to someone in Hobbs and were under the impression we would get a 90-day extension. Needless to say we were somewhat shocked when we got a 20-day extension instead. We are working diligently to determine exactly what to do with this well and it involves another operator so we need more time.

This well may have potential for production in the Bone Springs and the Delaware formations above 9000'. We were ready to test these zones, but discovered we do not own lease rights above 9000'. It is owned 100% by Chaparral. We have sent a letter to Chaparral asking their review of these zones to determine if they are interested in testing the zones before P&A. A copy is attached for your information. If they are not, we will propose testing the zones. If they are non-commercial, we will proceed to plug the well as requested in your previous correspondence.

I am attaching a new sundry notice asking for 90-day extension so we can finish the review with Chaparral. Then either Chaparral or Kaiser-Francis Oil Company will test these zones or plug the well. We have no other use for it at this time.

I appreciate your consideration of our request. Should you have any additional questions, you may reach me at 918-491-4343.

Sincerely,
KAISER-FRANCIS OIL COMPANY



Drew Tyler
Operations Engineer
Odessa District

DT:klw
Attachment

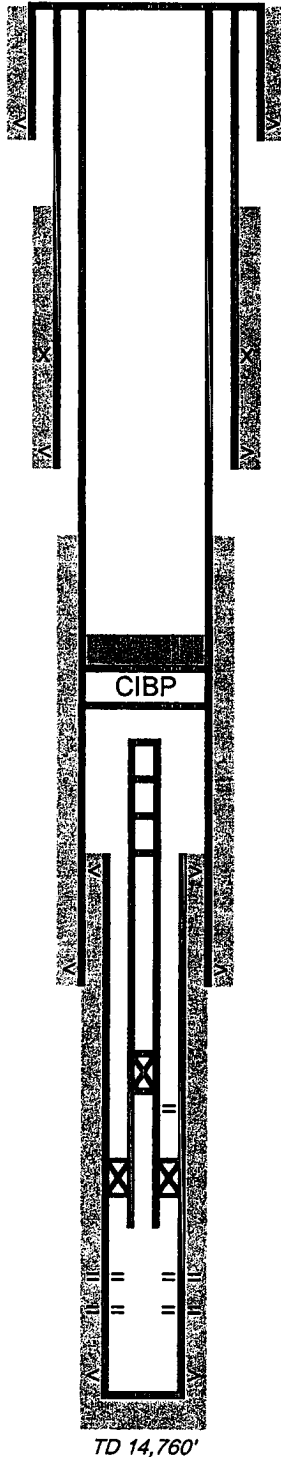
WELL DIAGRAM - (8-31-05)

BELL LAKE UNIT #19

660' FNL & 1980' FEL

SECTION 12-24S-33E

LEA COUNTY, NM



16" 65# H40 @ 700'
w/575 sxs

TOC @ 1280' (TS)

3000' DV tool
w/1700 sxs

10-3/4" 45.5# K55 @
5245' w/1400 sxs

TOC @ 8560'

Cmt on top to 11,350'
CIBP 11,400'

Jet cut 11,960'

Jet cut 12,000'

Jet cut 12,335'

TOL @ 12,424'

7-5/8" 33.7# N80 @
13,000' w/955 sxs

CIBP @ 14,000'

6-1/4" holes @ 14,113'

Model FAB pkr @

14,140' w/tail pipe assy

14,326-38'

14,338' & 14,350' to 354'

5" 18# N80 liner btm @

14,758' w/400 sxs

TD 14,760'

SPUD: 3-25-79 COMP: 9-14-79 TD: 14,760' PBTD: 14,473' GR: 3620'
API# 30-025-26257

COMPLETION:

PF: 14,326-38'

A w/2500 g 6% Hcl 1.5% HF w/flouro surfactant; 148,000 SCFN2

PF: 14,326-354'

Frac w/8000 g methanol; 8000 g liquid CO2

WO: 10/80: Jetted w/CT & N2, flw'd 94 MCFD

WO: 9/81: TA well - RIH w/2.343 GR. Cud not get past 13,780'. RIH w/1-1/2" sinker bar cud not get past 13,897'. Salt/sd in jars. Pmp 40 bbls FW. Press to 6000#. Tbg plugged RIH w/1-3/4" bailer to 14,140'. Run 2.343 GR. Hit many obstructions. Stuck @ 1004'. RIH w/2.34 broach to 13,770' got stuck. Jarred loose. Rec'd pieces of plastic coating. RDMO.

WO: 1/92: RIH w/1-7/16" sinker bar to 14,114'. RIH w/2.03 SB to 14,001'. Stuck at 13,875'. Work free. POOH. RDMO.

WO: 4/92: RH to 14,146', raise to 14,113', shoot 6 holes in tbg w/1-3/8" tbg punch. Attempt to release from pkr, FP shows tbg stuck @ 12,380', RIH w/tbg CIBP (1.906') set @ 14,000'. Shot off tbg @ 12,335'. Cud not pull shot tbg @ 12,000'. Cud not pull tbg. Shot tbg @ 11,990'. POOH w/tbg. RIH w/6.343" GR to 11,900'. Set CIBP @ 11,400'. Dump cmt on top to 11,350'.

KF ENERGY, L.L.C.

P. O. BOX 2101

TULSA, OKLAHOMA 74101-2101

6733 South Yale Avenue, 74136
(918) 491-4457 Fax: (918) 491-4459

March 23 2006

Chaparral Energy, Inc
701 Cedar Lake Blvd.
Oklahoma City, Ok 73114

Attention: Mr. Al Contreras

RE: P&A Bell Lake 19
NE/4 Sec 12-24S-33E
Lea County, New Mexico

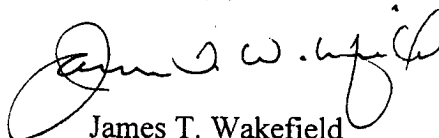
Gentlemen:

On March 2, 2006, Kaiser-Francis Oil Company (Kaiser) requested a 90 day extension of this well's TA'd status from the BLM in order to finalize plans to test the Bone Springs lime zone at a depth of 8,934' to 9,044' and/or the Delaware sands at a depth of 8,532' to 8,540'. Chaparral owns 100% of the shallow rights above 9,000' for the lease in the NE/4 of Section 12 on which this well is sited. Therefore, an agreement is needed between South Bell Lake Unit (Unit) and Chaparral to test and produce the Bone Springs zone. Further, an agreement will be needed to transfer/sell this wellbore to Chaparral in the event Chaparral chooses to test the Delaware zone.

The attached wellbore diagram indicates tubing is stuck inside the 5" liner. This well was TA'd in 1992 after tubing was cut off at a depth of 11,960', and a CIBP set at 11,400' (capped with 50' of cement). Kaiser in an attempt to determine value/liability of the wellbore, has attached a P&A AFE for this wellbore totaling \$93,000. Recovery of the 7 5/8" casing above 5,500' (10 3/4" casing set at 5,245', TOC @ 8,560') yields a net P&A cost of \$60,000.

As a result it is requested that Chaparral evaluate the recompletion potential of these zones, and how they wish to proceed in this matter within the next 30 days. In the event Chaparral is not interested in testing these uphole zones, Kaiser with the appropriate agreements and approvals, proposes to test both of these zones as part of an overall plan to P&A this well. Please call me at 918-491-4510 to discuss this matter at your convenience.

Very truly yours,



James T. Wakefield