

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Hobbs

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

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.
NMNM61345 FEE

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

7. If Unit of CA/Agreement, Name and/or No.
NMNM82102

8. Well Name and No.
MORRISON FED #1

2. Name of Operator
SOVEREIGN EAGLE LLC CONTACT: GRACE CHARBONEAU, GRACE@STRATANM.COM

9. API Well No.
30-041-20846

3a. Address
PO BOX 968
ROSWELL, NM 88202

3b. Phone No. (include area code)
PH: 575-622-1127 EXT:20

10. Field and Pool or Exploratory Area
TULE PENN

4. Location of Well (Footage, Sec., T.R., M., or Survey Description)
SEC 22 T52 R29E MER 1PM 750 FNL 990 FEL

11. County or Parish, State
ROOSEVELT 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"/> 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 checked="" type="checkbox"/> Other <u>SHUT IN</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input 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 determined that the site is ready for final inspection.)

PLEASE DISREGARD THE PREVIOUS SUNDRY FOR PLUGGING AND ABANDONMENT. SOVEREIGN EAGLE IS IN NEGOTIATIONS TO ASSIGN OPERATIONS OVER TO ANOTHER OPERATOR. THEY PLAN TO REESTABLISH PRODUCTION IN THE NEAR FUTURE AND WE ARE REQUESTING TO KEEP THIS WELL SHUT IN UNTIL THAT TIME.

THIS IS A REQUEST TO SHUT IN THE MORRISON FED #1 FOR UP TO ONE YEAR OR UNTIL TRANSWESTERN PIPELINE CAN CONTINUOUSLY ACCEPT THE GAS. THIS WELL IS CAPABLE OF PRODUCING IN PAYING QUANTITIES (CUM =>620,045 MCF, 2015=> 11,539 MCF) BUT IS CURRENTLY SHUT IN BECAUSE THE GAS CONTAINS HIGH NITROGEN CONTENT AND TRANSWESTERN DOES NOT HAVE ENOUGH GAS FLOWING ON ITS PANHANDLE LATERAL TO "BLEND DOWN" THE GAS TO ACCEPTABLE LEVELS. IT IS ALSO UNECONOMIC AT CURRENT LOW GAS PRICES TO PROCESS TO REMOVE THE NITROGEN.

IT IS POSSIBLE TO PRODUCE THE WELL AND RECOVER THE CONDENSATE AND WATER BUT THE GAS WOULD HAVE TO BE VENTED OR FLARED. IN ORDER TO COMPLY WITH THE NO FLARING RULES AND PREVENT WASTE, WE REQUEST THAT THE WELL REMAIN SHUT IN.

Accepted for Record only as the BLM only holds a CA for this well. Please submit notification when the well comes back online.

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

Signature *Paul Ragdale*

Title OPERATIONS MANAGER

Date 06/05/2018

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

JUN 18 2018 Date

Office

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.

MSB Accepted for Record Only 6/21/2018