DEPARTMENT OF THE INTERIOR CD-HOBBS BUREAU OF LAND MANAGEMENT

FORMAPPROVED OM B No. 1004-0137 Expires: March 31, 2007

CHAIDDY MOTICES AND DEDODTS ON WELLS

Lease Serial No.		
LC029489B		
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SUNDRE NOTICES AND REPORTS ON WEL	L3	
Do not use this form for proposals to drill or to re-enabandoned well. Use Form 3160 - 3 (APD) for such pro	ter an 6. If Indian, Allottee or Tribe Name posals.	
SUBMIT IN TRIPLICATE - Other instructions on revers	e side. 7. If Unit or CA/Agreement, Name and/or No.	
1. Type of Well Gas Well X Other	8. Well Name and No.	
2. NameofOperator Latigo Petroleum, Inc.	Central Corbin Queen Unit #205 9. API Well No.	
3a. Address 3b. PhoneNo. (include P.O. Box 10340 Midland TX 79702-7340 (432)685-822	9 10. Field and Pool, or Exploratory Area	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 1980' FWL Unit K, Sec 4, T18S, R33E	Corbin Queen 11. County or Parish, State Lea NM	
12. CHECK APPROPRIATE BOX(ES)TO INDICATE NATUR	E OF NOTICE, REPORT, OR OTHER DATA	
TYPE OF SUBMISSION TYPE OF ACTION		
Acidize Deepen AlterCasing FractureTreat Casing Repair New Construction Change Plans Plug and Abandon Final Abandonment Notice Convert to Injection	Abandon Recomplete Other Other	
2. Circ & load hole w/packer fluid.	with BLM/BIA. Required subsequent reports shall be filed within 30 days letion or recompletion in a new interval, a Form 3160-4 shall be filed once ments, including reclamation, have been completed, and the operator has a subsequent of the first of the subsequent	
3. POH & LD tbg. 4. Run a MIT. Paper Ved to ron MIT Within 30 days 18 18 18 18 18 18 18 18 18 18 18 18 18		
Name (Printed/Typed)	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	
Lisa Hunt Title	Regulatory Analyst	
Signature Lisa Hunt Date 01/19/2007 APPROVED		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by Ti	Date JAN 2 6 2007	

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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 505-234-5972

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.
 - 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 with a 10% allowable leakoff.
 - 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, 505-361-2822; Lea County 505-393-3612.
- 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.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for a 12 month period provided that the operator:

- 1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
- 2. Describes the temporary abandonment procedure.
- 3. Attaches a clear copy or the original of the pressure test chart.

The TA status could be extended for an additional 12 month period without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative. The operator must submit a sundry notice requesting an extension of TA status 30 days prior to expiration of the previous approval and appropriate justification for extending the TA status is included.

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.

Special Status Species Lesser Prairie-Chicken

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 15 through June 15 annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.