

## OCD-HOBBS

Form 3160-5  
(April 2004)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

## 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 reverse side.**1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
Finley Resources, Inc.3a. Address  
1308 Lake Street, Ste. 200, Fort Worth, TX 761023b. Phone No. (include area code)  
817-336-19244. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1983' FWL & 1983 FSL of Section 34 - 20S - 36E

5. Lease Serial No.

NMLC-063116

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Scale Federal #2

9. API Well No.

30-025-04395

10. Field and Pool, or Exploratory Area

Eumont (Y-7R-Q)

11. County or Parish, State

Lea

## 12. CHECK 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 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 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.)

Current CIBP @ 3300' (60' above perfs) and tested to 1000#. Found leak in csg from 126'-156'. Proposed to TA well by spotting cmt plug from 100'-200'. Testing csg from 100' to surface. Future utility: Waterflood in 7 Rivers planned for and will squeeze cmt as necessary to establish long term integrity in wellbore to utilize as producer.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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

Crystal Martinez

Title Production Analyst

Signature

Date

04/27/2007

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Office

Date

MAY 9 2007

WESLEY W INGRAM

PETROLEUM ENGINEER

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

# Seale Federal #2

1983' FSL, 1983' FWL, Sec 34K  
T20S, R36E Lea Co., NM  
Eumont Field completion Date: 9/29/55

KB 3587' (11')  
API # 30 025 04395  
NM ID 1150068

DST#1: 3650-93'  
Rec 360' gas, 90' GCM.  
DST#2: 3694-3718'  
Rec 20' DM,  
DST#3: 3743-80' GTS  
2 min. Meas 2100 mcf/d rate  
Rec 190' GCM  
DST#4: 3782-3830' Fair Blow.  
GTS 55 min. Rec 3540' Gas,  
240' GCM  
DST#5: 3830-3900'  
Rec 125' DM

Potential:  
None

8 5/8" 24# @ 267' w/ 200 sx. Circ.

Status: Active  
2 3/8" tbg: 126 jts  
3/4" rods: 144 rods

Found bad ft from 126-156'

Stimulation:  
9/55: 3788-3803' 500 gal MA, 5000 gal oil, 5000# sd  
3834-50' 500 gal ret acid, 5000 gal oil, 2500# sd  
CIBP 3825' + 1 sx cmt. CIBP 3784' + 1 sx cmt.  
3749-76' 500 gal MCA, 10000 gal oil, 10000# sd  
4/80: 2000 gal acid, 40000 gal gel, 40000# sd  
8/82: 1200 gal acid

CIBP  
3300'

CIBP 3784'  
CIBP 3825'

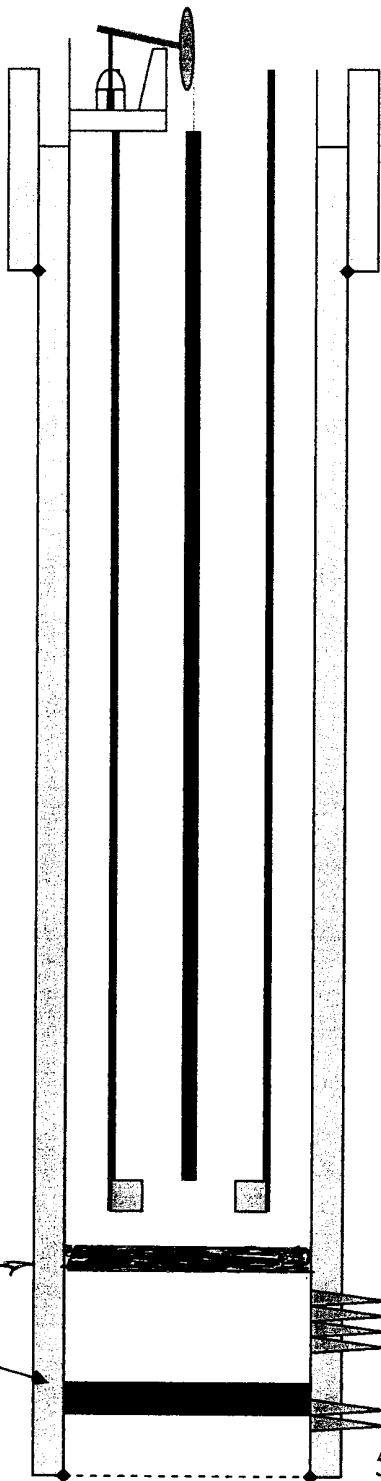
Current  
2/11/2003

Yates, 7 Rivers:

3360-63, 3375-77, 3388-90, 3447-49, 3454-56, 3458-62, 3495-97,  
3609-14, 3620-23, 2660-80, 3708, 3746-53'  
3749-76'

3788-3803'  
3834-50'

5 1/2" 14# J-55 @ 3899' w/ 1550 sx, TOC 280'



1/10/2006		NM		Seale Federal 2	MIRU 3 D Well Service (Jose Castro-Operator). NDWH. NUBOP (Mesa). Move in pipe trailer. RIH w/ 5-1/2" CIBP (Hudson-Weatherford) on 2-3/8" WS. Set @ 3300'. (Top perf @ 3360'). POH w/ tbg & setting tool. RIH w/ pkr to 3296'. Test CIBP to 1000# - OK. Providence pump trk circ hole w/ pkr fluid. (Unichem/BJ Techni-Hib 370). Test csg to 500#. Bleed to 0# in 1 minute. Csg would not hold pressure. Possible hole in csg-air in pkr fluid. Will retest in a.m. SDFN.
1/11/2006		NM		Seale Federal 2	Idle well - bring back on or P&A
1/11/2006		NM		Seale Federal 2	CTL. Pump trk delayed. Called for different pump trk. Serria pmp trk showed up. Isolate csg leak 126' to 156'. Able to circ out surface csg valve. (Circ backside clear). POH w/ tbg & pkr. RIH w/ tbg. SDFN

**Seale Federal #2  
Finley Resources, Inc.  
Temporary Abandonment  
May 9, 2007  
Conditions of Approval**

- 1. The proposal to seal the leak in the casing by setting a 100 foot balance plug is approved. The plug is to be tagged.**
- 2. An MIT will be required once the plug is set.**
- 3. A subsequent sundry must be submitted requesting TA status and have the test chart attached.**
- 4. Due to the past history on this well, the approval will be for a maximum of one year and by the end of that period the well must be back online or plans to P&A submitted.**
- 5. When the well is plugged, the proposed plug will have to be drilled out to enable proper plugging of the well bore.**

**WWI 05/09/2007**

**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.