Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR

OCD-HOBBS	

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

BUREAU OF LAND MANAGEMENT					
NDRY NOTICES AND REPORTS ON WELLS	NM 1830				

Do not use this form for proposals to drill or to re-enter an

6. If Indian, Allottee or Tribe Name

abandoned we	ell. Use Form 3160 - 3 (A	APD) for such pro	posals.					
SUBMIT IN TRIPLICATE- Other instructions on reverse side.					7. If Unit or CA/Agreement, Name and/or No.			
1. Type of Well ✓ Oil Well 2. Name of Operator Ray Westall	8. Well Name and No. Back Basin #1 9. API Well No.							
3a Address P.O. Box 4, Loco Hills, NM 88	255	3b. Phone No. (include 505.677.2370	area code)	30-025-27051 10. Field and Pool, or Exploratory Area				
4. Location of Well (Footage, Sec., 1980' FSL & 660' FEL Sec 20	Antelope Ridge Atoka, West 11. County or Parish, State Lea							
12. CHECK AI	PPROPRIATE BOX(ES) TO	INDICATE NATUR	E OF NOTICE, R	EPORT, OR	OTHER DATA			
TYPE OF SUBMISSION		TYI	E OF ACTION					
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	Production (St. Reclamation Recomplete Temporarily A Water Disposal		Water Shut-Off Well Integrity Other			
					rk and approximate duration thereof.			

If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers a 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 recompletion 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.)

7/15/06 Set CIBP @ 12,300' Dump bailed 35' Cmt. 7/20/06 Rig up Nebors rig 441

7/21/06 Set CIBP @ 11,958. Set whipstock @ 11,958'

Cut 8.3" window 11,939'-11,951'

9/21/06 Release rig. Could not achieve horizontal. Final survey MD 12,665' TVD 12,516' evaluate further options.

5/3/07 Request TA Status

TH approval not granted on this sundry, see attached for TH status request, send NOI within 30 days,

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Randall Harris	Title Geologist							
Signature Signature	Date	05/13AGCEPTED FOR RECORD						
THIS SPACE FOR FEDERAL OR STATE OFFICE USE								
Approved by	Title	MAY 2007 Date						
Conditions of approval, if any, are attached. Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject leas which would entitle the applicant to conduct operations thereon.		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)



LEAM Drilling Systems, Inc. Survey Calculations

Job Number: D-3876-MD

Operator:	RAY WE	STALL		Location:	LEA CO. N.	M.	L	ease/Well:	BACK B	ASIN#	1
Calculation 1			n Curvati	ıre	Proposed .	Azimuth:	225.00	Bearing:	\$45.00V	٧	
					•				Units:	English((ft)
MeasDepth	CrsLen	Drift	<u>Azimuth</u>	Bearing	TVD	<u>Vsect</u>	<u>NS(±)</u>	EW(±)	<u>Build</u>	<u>Turn</u>	<u>Dogleg</u>
INTREPID MV	D TIE-IN										
12278.00	0.00	25.50	234.10	\$54.10W	12258.35	-201.54	114.16	170.86	0.00	0.00	0.00
12312.00	34.00	29.10	232.40	S52.40W	12288.56	-186.11	104.82	158.38	10.59	-5.00	10.83
12344.00	32.00	33.10	231.60	S51.60W	12315.95	-169.71	94.64	145.36	12.50	-2.50	12.57
12379.00	35.00	39.70	232.20	S52.20W	12344.11	-149.10	81.84	129.02	18.86	1.71	18.88
12411.00	32.00	41.60	232.80	S52.80W	12368.39	-128.43	69.15	112.48	5.94	1.88	6.06
12443.00	32.00	44.20	230.00	S50.00W	12391.83	-106.79	55.56	95.47	8.13	-8.75	10.07
12474.00	31.00	49.00	229.00	S49.00W	12413.12	-84.34	40.93	78.35	15.48	-3.23	15.66
12506.00	32.00	53.00	229.80	\$49.80W	12433.26	-59.55	24.75	59.47	12.50	2.50	12.65
12538.00	32.00	54.10	227.90	S47.90W	12452.27	-33.87	7.81	40.09	3.44	-5.94	5.88
12570.00	32.00	56.50	226.90	S46.90W	12470.49	-7.59	-10.00	20.73	7.50	-3.13	7.93
12601.00	31.00	58.60	225 QN	\$45.90W	12487.12	18.56	-28.04	1.79	6.77	-3.23	7.30
12633.00	32.00	62.00		\$44.90W	12502.97	46.35	-47.55	-18.00	10.63	-3.13	10.97
12665.00	32.00	66.20		\$43.40W	12516.95	75.13	-68.21	-38.04	13.13	-4.69	13.79
STRAIGHT LI			44J.4U	U4U.7UVV	12010.00	70.10	00.21	00.01			· · ·
			222 40	S43.40W	12545.19	139.15	-114.74	-82.04	0.00	0.00	0.00
12735.00	70.00	66.20	ZZ3.4U	343.4044	12040.19	133.13	-117.17	-UZ.UT	5.00	J.00	7.00

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:

- 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:

- 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.
- A procedure to plug and abandon the well.

WWI 11022006