Form 3160-5 (April 2004)

New Wexten Off Concernation Diploton Filton Approve DEPARTMENT OF THE INTERIOR 1925 N. French De OM B No. 1004-0137 Expires: March 31, 2007 BUREAU OF LAND MANAGEMENT ~ 5. Lease Serial No. 15677 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE- Other instructions on reverse side. 1. Type of Well X Oil Well Gas Well Other 8. Well Name and No. Hahn Federal # 2 2. Name of Operator John R. Stearns dba Stearns Ogrid # 21566 9. API Well No. 30-005-20480 3a. Address 3b. Phone No. (include area code) 505-675-2356 PO Box 988 Crossroads, NM 88114 10. Field and Pool, or Exploratory Area Tom Tom: San Andres 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 660 FSL X 1980 FEL Unit Letter "O"Section 27, T7S, R31E Chaves County, **New Mexico** Chaves, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Water Shut-Off Acidize Production (Start/Resume) Deepen X Notice of Intent Alter Casing Well Integrity Reclamation Fracture Treat Casing Repair New Construction Recomplete Subsequent Report Change Plans Temporarily Abandon Plug and Abandon Final Abandonment Notice Plug Back Water Disposal Convert to Injection 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 recomplete 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 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.) Surface: 8 5/8" 24# Casing at 403ft in 12 1/4" Hole. Cmt with 250 sacks. Cement Circulated Prod: 4 1/2" 9.5# Casing at 4110ft in 7 7/8" Hole. Cmt with 250 sacks Class "C" Poz with 2% Gel & 8# Salt□ Top Cement calculated at 3338ft Perfs 4065 - 4103 Non Productive Cement Retainer at 4045ft. Perfs 4065-4103 squeezed with 75 sacks Cmt. Perfs 3945-3988ft Run tbg open ended to 3945ft, Spot 25sx cmt plug, Ptbg, WOC, Tag cement plug Perf at 2000ft, Squeeze with 35 sx cmt, WOC, Tag cmt plug - Base of salt plug Perf at 1650ft, Squeeze with 35 sx cmt, WOC, Tag cmt plug - Top of salt plug Perf at 453ft, Circulate cement to surface, Leave 4 1/2"casing and 4 1/2" X 8 5/8" annulus full of cement 9.5 gelled brine between all cement plugs Well fluids will be circulated to steel pit Cut off wellhead and install PA marker Cut off SU anchors and clean and level location 14. Thereby certify that the foregoing is true and correct Name (Printed/Typed) Agent for Stearns Billy E. Prichard 575-390-9100 Title Signature 1/9/2008 THIS SPACE FOR FEDERAL OR STATE OFFICE USE PETROLEUM ENGINEER JAN 142008 Conditions of approval, if any, are attached. Approval of this notice does not warrant or SEE ATTACHED FOR

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 of agency of the United

(Instructions on page 2)

certify that the applicant holds legal or equitable title to those rights in the subject lease

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

which would entitle the applicant to conduct operations thereon.

BUREAU OF LAND MANAGEMENT

Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201 (505) 627-0272

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

- 1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon. If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.
- 2. <u>Notification:</u> Contact the Roswell BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call (505) 627-0272.
- 3. <u>Blowout Preventers:</u> A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement:</u> Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack .

- 6. <u>Dry Hole Marker:</u> All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).
- 7. <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. <u>Show date well was plugged.</u>

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval shall be developed and furnished to you.