

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Blvd. Hobbs, NM 88240
District II
1301 W. Grand Ave. Las Alamos, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr. Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

RECEIVED JUL 03 2008 HOBBS OCD		WELL API NO. 30 025 08317 ✓	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓		6. State Oil & Gas Lease No. E-6622 ✓	
7. Lease Name or Unit Agreement Name North El Mar Unit ✓		8. Well Number 53 ✓	
9. OGRID Number 20077 ✓		10. Pool name or Wildcat El Mar (Delaware)	
1. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other TA			
2. Name of Operator Sahara Operating Company ✓			
3. Address of Operator P.O. Box 4130, Midland, TX 79704			
4. Well Location Unit Letter <u>E</u> <u>542</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>West</u> line Section <u>36</u> Township <u>26S</u> Range <u>32E</u> NMPM County <u>LEA</u>			
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,101 RT			
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>			
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____			
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____			

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input checked="" type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Request Temporarily Abandoned status for well. We wish to preserve this well bore for Enhanced recovery, Justification attached.

This well passed a Mechanical Integrity Test of 550-540 psi on 6-23-2008, the original test chart is attached.

Wellbore as follows: Casing: 4-1/2" @ 4711'
Perfs: 4568'-4595'
CIBP: 4555'

TA expires 7/7/2013

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE President DATE 7-02-2008

Type or print name Robert McAlpine E-mail address: SaharaRM@sbcglobal.net Telephone No. 432-697-0967

For State Use Only

APPROVED BY: [Signature] TITLE OCD DISTRICT SUPERVISOR/GENERAL MANAGER DATE JUL 07 2008

Conditions of Approval (if any):

North El Mar Unit
Temporarily Abandoned Wells
Justification & Status Update
June 20, 2008

It is requested that Temporarily Abandoned status be continued for the temporarily abandoned wells in the North El Mar Unit, Lea County, New Mexico. Please refer to the Justification For Request For Temporarily Abandoned Status for these wells dated July, 2006 and the Status Updates dated June 25, 2007, September 28, 2007, December 19, 2007, and April 22nd, 2008.

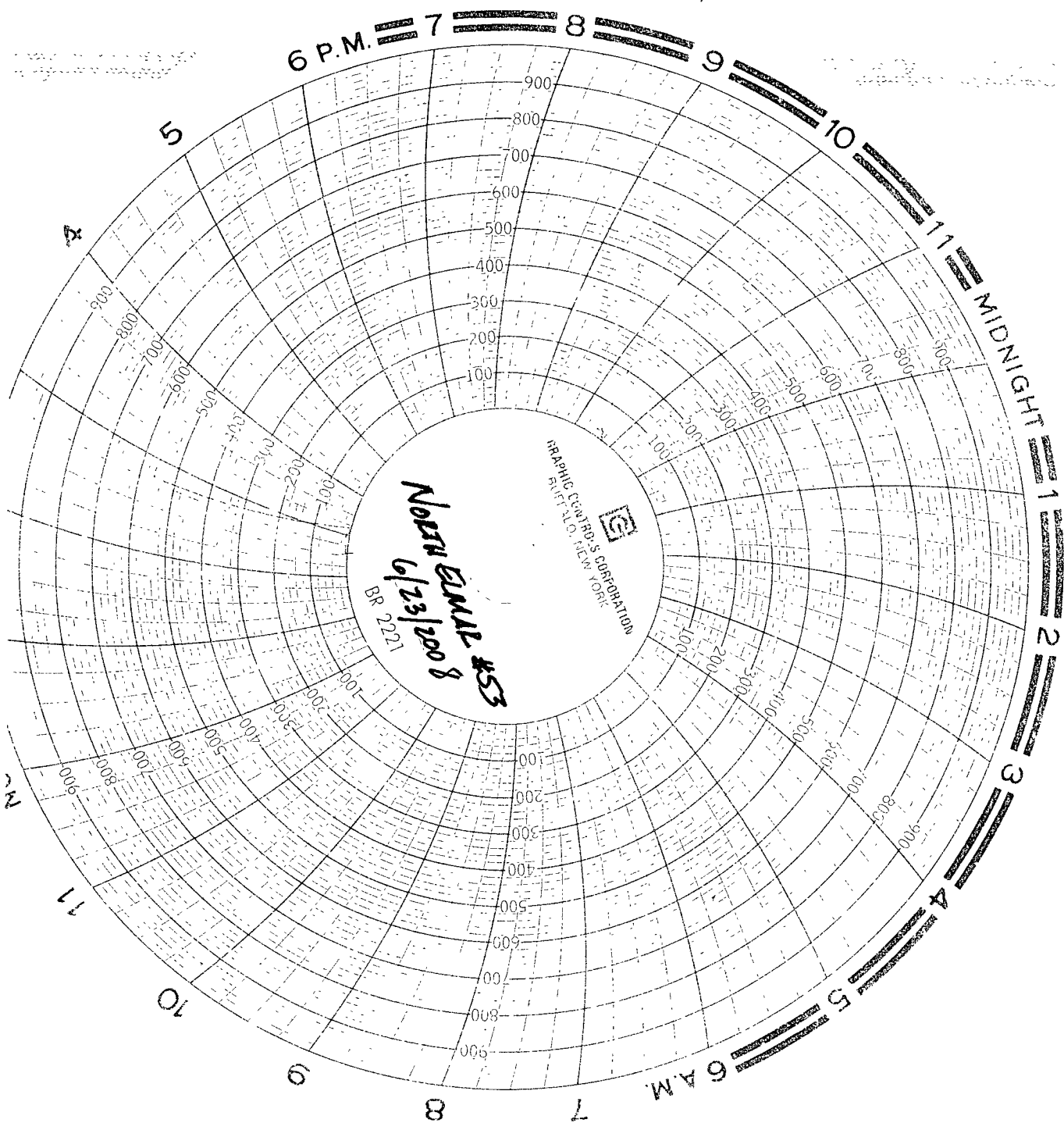
At this time there appears to be no firm timetable for resolving the CO2 supply shortage which has impacted this and other Permian Basin EOR projects. At the nearby Cotton Draw Unit, Paduca Delaware Sand Unit CO2 project, operatorship of the project has been transferred to OXY, with the intention that OXY will use it's CO2 expertise and access to CO2 supply to implement the project. We have been unable to obtain status updates on this key project, but are hopeful that Oxy is moving forward with this project in a timely fashion. OXY is contractually obligated to install a CO2 project in the Cotton Draw Unit, and the continued delays are frustrating to all involved.

The recent increase in commodity prices, along with increasing concerns about possible climate change, greatly increase the attractiveness of the North El Mar Unit as a candidate for CO2 EOR or as a potential site for carbon sequestration. We feel that it is more important than ever that these wellbores be preserved for future use.

Sahara has recently completed restoration of P&A locations on the North El Mar Unit #14, #17, #22, #26, #31, #35 & #37. Recontouring and seeding of these locations was just completed within the past few days. Sahara has retained the services of an environmental consulting firm, R.T. Hicks, to coordinate this work with the BLM.

Wellbore repairs have been completed on NEMU #61 and this well has been returned to production. As this report is written, we are drilling out a squeeze on NEMU #15 and hope to have that well returned to active service within a few days.

Sahara will file another status update on or before October 1st, 2008



N. ELMAR #53
RAPID TRANSPORTS
10/23/08
Rusty Day

Sahara Operating Company
North El Mar Unit #53
550-5410 #, 30 min