Form 3160-5 FORM APPROVED OCD-HOBBS OMB No 1004-0137 DEPARTMENT OF THE INTERIOR Expires March 31, 2007 **BUREAU OF LAND MANAGEMENT** SUNDRY NOTICES AND REPORTS ON WELLS 5 Lease Serial No NM-112945 6 If Indian, Allottee or Tribe Name ngt use this form for proposals to drill or to re-enter an ndoned well) Use Form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit of CA/Agreement, Name and/or No 1. Type of Well Oil Well Well Name and No GAINER 27, WELL NO: #1 Gas Well Other 2. Name of Operator THOMPSON, J. CLEO API Well No 30-25-38463 3a. Address 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area P. O. BOX 12577 ODESSA, TX 79768 (432) 550 8887 **DEVONIAN** Location of Well (Footage, Sec., T.R., M., or Survey Description) 11. Country or Parish, State UL,F, Sec.27,T-10S, R-36E LEA, NM 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Notice of Intent Deepen Production (Start/Resume) Water Shut-Off Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Subsequent Report Recomplete ___ Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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 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 must 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 must be tiled once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.) 1. MIRU plugging company. 2. NU BOP. POH w/ tbg. 3. RIH w/ 5 1/2 CIBP and set 10,650'. RIH w/ tbg to 10,650, circulate hole w/ mud laden fluid. Spot 25sx plug on top of CIPB. POH w/ tbg. 4. Rig up casing jacks. Pull 5 1/2 csg out of slips. Freepoint pipe w/ stretch. RIH w/ 4 1/2 cutter and cut csg. @ +/- 8500'. Lay down csg. 5. RIH w/ they, and Spot 100' plug at casing stub. (45 sx @ 8600-8400).- WOC and TAG.
6. PUR 5 5000 sphirs ship wor and TAG. PUH to 4335. Spot 65 sx plug 4335-4235. WOC and TAG.
7. Spot 35 sx plug @ 2555 2847. Vates 8. Sporge by PLYTOTHIS TOP AREA (3 3/8 shoe). APPROVED 10. Spot 20 sx surface plug. 11. Cut off well head and Weld on Dry Hole Marker. Rig down, clean location. 1 2008 NOV The Oil Consrvation Division Must Be Notified 24 hours prior to the beginning of plugging operations. JAMES A. AMOS SUPERVISOR-EPS 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) SEE ATTACHED FOR 10-28-08 CONDITIONS OF APPROVAL Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by 10/27/2008 Title 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 to any department or agency of the United States any false,

(Instructions on page 2)

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

Thompson, J. Cleo 64iner 27 #1 30-025-38463 1732' FNL , 1703' FWL F. Sec 27, T-10-5, R-36-E 133/8 @ 525, 500 St. 8 w/Aco 9 9/8 @ 5125', 1585 sx. sumace Pape 10710-10726 \$ 63 BA @ 10 780' CIBP & -115-72'4/15' P-Q. @ 11506 CIBP @ 11.800, w/ 35' cut perf. 11622-11628 5/2 12104, 1700 St., TOC 5432

Thompson, J. Cleo. NMNM112945: Gainer 27, Well #1 1732' FNL & 1703' FWL Sec. 27 T10S-R36E Lea County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

- 1. OK
- 2. OK
- 3. OK.
- 4. Spot a plug from 9115'-8925' (covers the Wolfcamp top).
- 5. Spot a plug from 7888'-7708' (covers the Abo top).
- 6. Spot a plug from 5760'-5600' (covers the Glorietta top).
- 7. Cut & pull 5-1/2" casing @ +/- 5200".
- 8. RIH to 5250' and spot plug from 5250'-5050' (Covers the stub and 9-5/8" casing shoe). WOC and tag no lower than 5050'.
- 9. Spot a plug from 2890'-2770' (covers the Yates/base of salt). WOC and tag no lower than 2770'.
- 10. Spot a plug from 2373'-2253' (covers the top of salt). WOC and tag no lower than 2253).
- 11. Spot plug from 575'-475' (covers the 13-3/8" casing shoe). WOC and tag no lower than 475'.
- 12. Set the surface plug from 60'-surface.

Note: Your Sundry Notice indicates cut & pull 5-1/2" casing from 8500', when all records show TOC by TS to be @ 5432'. If different, we will need additional information. This plugging procedure is based on TOC to be at 5432'.

See attached standard COA's.

James A. Amos 575-234-5909

11/1/08

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

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.

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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 appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.
- 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 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the 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 are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

- 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 ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (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. **Show date well was plugged.**
- 8. <u>Trash:</u> All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

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

GAINER 27 #1 LEA COUNTY, NM SUNDRY NOTICE PAGE 2

- **9-2-08** 100# on tbg. F.L. 2,000', trace of oil on 1st run, made 23 swab runs, F.L. 2,300', recovered 170 bbls. fluid, will color cut tomorrow. SDFN
- **9-3-08** 100# on tbg. F.L. 2,000' w/a trace of oil on 1^{st} run, no oil on 2^{nd} run, released packer. RIH and spotted 50 bbls. **9# mud laden fluid** at 11,530', pull up to 3,000' made 2 swab runs w/packer swinging, FL at 1,700' w/no oil, POOH w/packer. Rigged up Wood Group set CIBP at 10,780', perf. 2SPF at 10,710'- 10,726' (32 holes) RIH w/5 $\frac{1}{2}$ arrow-set packer to 10,726'. SDFN
- **9-4-08** Tbg on a vacuum. Pull packer to 10,623', set packer pumped 2,000 gals. 15% NEFE w/50 balls, average 1.2 bpm at 4,600# on water, formation went on a vacuum when acid hit, had ball action but did not ball out. Starting fluid level @ 1,800', made 19 swab runs, FL at 2,000', recovered 105 BW, & 0 oil. SDFN
- **9-5-08** 0 pressure on tubing, FL @ 2,000', all water on 1st swab run, made 13 runs, FL @ 2,100', recovered 92 BW (197 bbls total) SDFWE
- **9-8-08** 20# on tbg. FL 2,000', made 9 swab runs, F.L. still at 2,000', recovered 60 BW (257 bbls total). Rig down DD-8.

Venda Frecinan. Agust - J. Cleo Thompson