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UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED

OMB No. 1004-0135

Expires November 30, 2000

BOND 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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NM-02791 A
2. Name of Operator Sahara Operating Company	6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 4130, Midland, TX 79704	7. If Unit or CA/Agreement, Name and/or No. North El Mar Unit
3b. Phone No. (include area code) 432/697-0967	8. Well Name and No. North El Mar Unit #40
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FNL & 1650' FWL, Sec 31, T26S, R33E, NMPM Unit Letter "C"	9. API Well No. 30 025 08439
	10. Field and Pool, or Exploratory Area El Mar (Delaware)
	11. County or Parish, State Lea County, N.M.

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 Treatment	<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 checked="" type="checkbox"/> Plug and Abandon	<input 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 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.)

Propose to P&A well as follows: Spot 20 sx cement on CIBP @ 4626', circ hole w/mud 25 sx
Spot 25 sx cement @ 3300' OK
Perf & Squeeze 25 sx @ 900' 693 (693-593') woc tag
Perf & Squeeze 30 sx @ 390' (390-290') woc tag
Spot 10 sx surface plug Perf @ 60' circ to suit interval
Cut off wellheads and install P&A marker

Wellbore is as follows: 7-5/8" casing @ 339'
4-1/2" casing @ 4757' w/950 sx, TOC 1844'
Perfs: 4666'-4677'
CIBP: @ 4626'

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Robert McAlpine

Title

President

Signature

Date

3-26-2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

DISTRICT 1 SUPERVISOR

Office

APPROVED

APR 5 2009

Date

JAMES A. AMOS
SUPERVISOR-EPS

HOLE SIZE _____

175 SX
Circ.

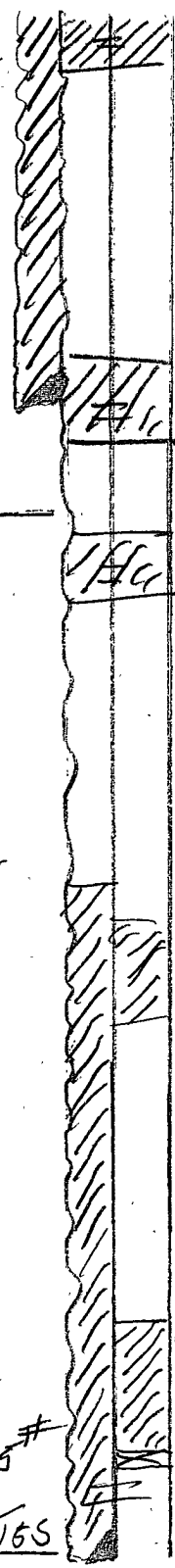
CASING SIZE $7\frac{5}{8}$ 4.00
TD 339

HOLE SIZE _____

TOC 1844

925 SX

CASING SIZE $4\frac{1}{2}$ 5.65
TD 4757



40° Surf
Perf Circ

SALT SECTIONS TOP 4643
BASE 4619
RIIP

CAVE/KARST _____
SPEC WATER _____

289
perfor. 389 WOC Tag

593
perfor. 693 FORMATIONS WOC Tag

Top Salt 693
Base Salt 4619
DrL 4619

2940 CTC
3300

CTOC 4266
360°

CIRP@ 4626 DVT
+25 SX
cmt PERFORATIONS 4666-4677

**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.

1. Plugging operations shall commence within ninety (90) 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. **Notification:** 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. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed prior to 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. **Mud Requirement:** 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. **Cement Requirement:** 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. **Dry Hole Marker:** 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. **Subsequent Plugging Reporting:** 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. **Trash:** 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.