

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires March 31, 2007

OCD-HOBBS

SUNDRY 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

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Nearburg Producing Company

3a. Address

3300 N A St., Bldg 2, Ste 120, Midland, TX 79705

3b. Phone No (include area code)

432/686-8235 x 203

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2180 FSL and 660 FEL, Sec 1, 19S, 33E

5. Lease Serial No.

NMNM4312

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

Pennzoil Federal #1

9. API Well No.

30-025-26498

10. Field and Pool, or Exploratory Area

EK Bone Spring

11. County or Parish, State

Lea County NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☒ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 recompleat 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 recompleat 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 final site is ready for final inspection.)

NPC requests to P&A the subject well per the attached procedure.

Current and proposed wellbore diagrams are attached.

RECEIVED

APR 14 2009

HOBBSOCD

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Sarah Jordan

Title

Production Analyst

Date

3.30.09

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title PETROLEUM ENGINEER

Date

APR 16 2009

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

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.



March 18, 2009

**REVISED**

**FAX #: (432) 687-4130**

Nearburg Producing Company  
3300 North "A" Street  
Building 2, Suite 120  
Midland, TX 79705

Attn: **TIM SPEER**

**RE: PENNZOIL FED. #1**  
**Eddy, NM**

Dear Tim:

- (1) M.I. R.U.
- (2) N.D. W.H. N.U. B.O.P. Tag 2 - B.P. @ 9,000' - G.R. - W.L.
- (3) Set C.I.B.P. @ 7,728' Cap 2 sx. cmt.
- (4) R.I.H. tbg. to 7,700' Mix & circulate M.L.F.
- (5) P.U.H. to 5,200'. Spot 30 sx. cmt. T.O.C. & tag @ 5,100'.
- (6) P.U.H. - 4,300'. Spot 30 sx. cmt. T.O.C. - 4,200'.
- (7) P.U.H. to 2,800'. Spot 20 sx. cmt. T.O.C. - 2,700'.
- (8) P.U.H. to 1,800'. Spot 20 sx. cmt. T.O.C. - 1,700'.
- (9) P.U.H. - 1,300'. Spot 30 sx. cmt. T.O.C. - 1,100'.
- (10) P.U.H. - 415'. Spot 45 sx. cmt. - surface.
- (11) Cap well off - 10 sx. cmt.
- (12) R.D. M.O.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

# Current WELLBORE DIAGRAM

Page 7 of 11

LEASE: Pennzoil Federal #1	WELL: #1	FIELD: E-K	API: 30-025-264980001
LOC: 2180' FSL & 660' FEL	SEC: 1	BLK:	Reservoir: Bone Spring
SVY: T19S R33E	GL: 3776'	CTY/ST: Lea / NM	SPUD: 6/23/1980
CURRENT STATUS: SI	KB: 3794'	DF:	TD DATE:
			COMP. DATE: 10/28/1980

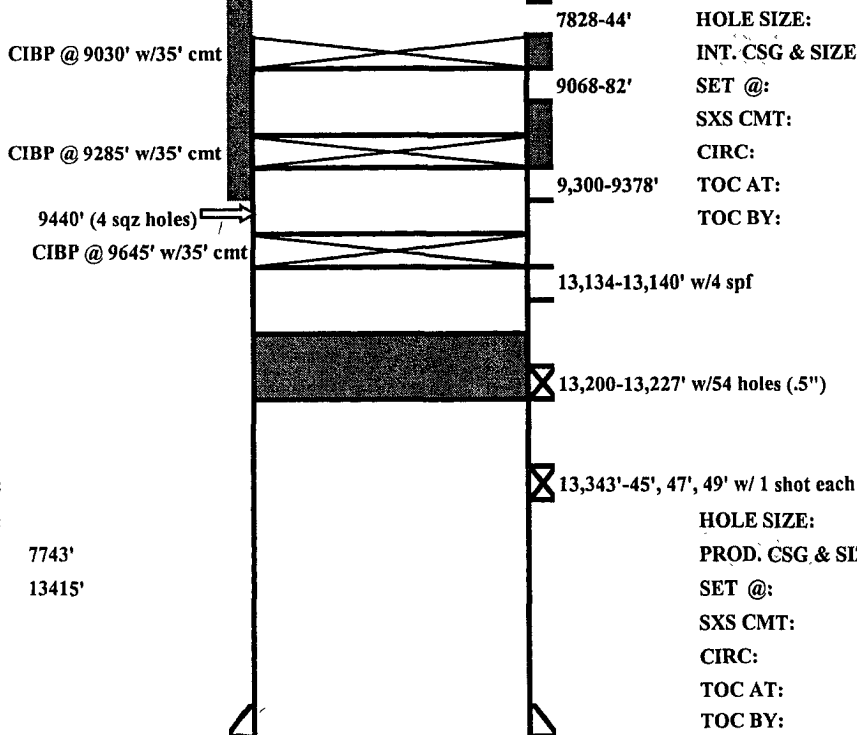
HOLE SIZE: 17.5"  
 SURF CSG & SIZE: 13-3/8" 54.5# K-55  
 SET @: 364' KB  
 SXS CMT: 400 sx  
 CIRC: Yes  
 TOC AT:  
 TOC BY:

COMMENTS:

FRESH WATER  
DEPTH:

TBG:  
JTS:  
SN:  
TAC:  
ROD SIZE:

\*\*\*\*\*GEOLOGY\*\*\*\*\*  
 TOPS OF ALL ZONES  
 PRODUCTIVE OF HYDRO-  
 CARBONS:



HOLE SIZE: 11"  
 INT. CSG & SIZE: 8-5/8" 24/28/32# csg S-80 & J-55  
 SET @: 5216' KB  
 SXS CMT: 2850 sx  
 CIRC: Yes: 815 sx  
 TOC AT:  
 TOC BY:

CURRENT PERFS:

SQUEEZE JOBS:

OH ID:  
COTD:  
PBD: 7743'  
TD: 13415'

HOLE SIZE: 7-7/8"  
 PROD. CSG & SIZE: 5-1/2" 20 & 17# N-80  
 SET @: 13415' KB  
 SXS CMT: 700 sx  
 CIRC: NO  
 TOC AT: 9,450' initially  
 TOC BY:

OPEN HOLE:

LINER:

BY: BHH  
3/25/2009

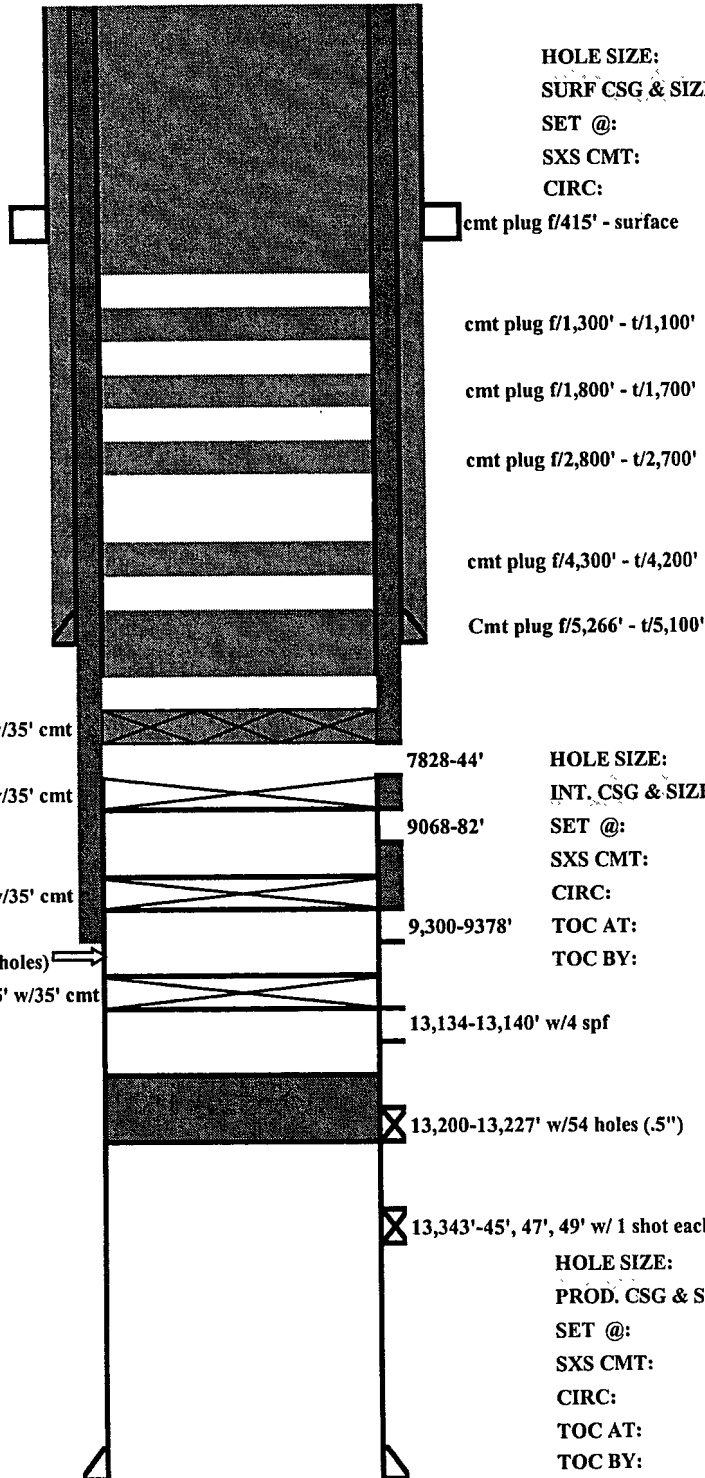
# **Proposed P & A WELLBORE DIAGRAM**

Page 7 of 11

LEASE: Pennzoil Federal #1	WELL: #1	FIELD: E-K	API: 30-025-264980001
LOC: 2180' FSL & 660' FEL	SEC: 1	BLK:	Reservoir Bone Spring
SVY: T19S R33E	GL: 3776'	CTY/ST Lea / NM	SPUD: 6/23/1980
CURRENT STATUS: SI	KB: 3794'	DF:	TD DATE:
			COMP. DATE: 10/28/1980

FRESH WATER  
DEPTH:

TBG:  
JTS:  
SN:  
TAC:  
ROD SIZE:



HOLE SIZE: 17.5"  
SURF CSG & SIZE: 13-3/8" 54.5# K-55  
SET @: 364' KB  
SXS CMT: 400 sx  
CIRC: Yes

COMMENTS:

\*\*\*\*\*GEOLOGY\*\*\*\*\*

TOPS OF ALL ZONES  
PRODUCTIVE OF HYDRO-  
CARBONS:

HOLE SIZE: 11"  
INT. CSG & SIZE: 8-5/8" 24/28/32# csg S-80 & J-55  
SET @: 5216' KB  
SXS CMT: 2850 sx  
CIRC: Yes: 815 sx  
TOC AT:  
TOC BY:

CURRENT PERFS:

SQUEEZE JOBS:

OH ID:  
COTD:  
PBDT: 7743'  
TD: 13415'

HOLE SIZE: 7-7/8"  
PROD. CSG & SIZE: 5-1/2" 20 & 17# N-80  
SET @: 13415' KB  
SXS CMT: 700 sx  
CIRC: NO  
TOC AT: 9,450' initially  
TOC BY:

BY: BHH  
3/25/2009

OPEN HOLE:

LINER:

Nearburg Producing Company  
NMNM4312: Penzoi Federal 1  
2180' FSL & 660' FEL, Sec. 1, T19S-R33E  
Lea County, New Mexico

RE: Plugging and Abandonment Requirements (Changes), Condition of Approval

1. Drill out CIBPs and cement to 12680'. Set CIBP and cap w/35' cement with dump bailer (covers the top of Morrow).
2. PUH to 10685' and set CIBP and cap w/35' cement with dump bailer (covers the top of Wolfcamp).
3. PUH to 7550' set CIBP and cap w/35' cement with dump bailer (covers the top of the Bone Spring).
4. PUH to 5266' and spot a cement plug from 5266'-5010' (covers the top of the Delaware, and the 8-5/8" casing shoe). WOC and tag.
5. PUH to 3315' and spot a cement plug from 3315'-3185' (covers the Base of Salt). WOC and tag.
6. PUH to 1800' and spot a cement plug from 1800'-1700' (covers the Top of Salt). WOC and tag.
7. PUH to 414' and circulate cement to surface.
8. POH and top off with cement.
9. Cut off well head and install modified dry-hole-marker (The modified DHM is for areas within LPC habitat. The DHM is modified to the extent that it is only 2" above ground level and instead of the well information welded on the side of the marker it would be engraved or welded on a plate that is welded to the top of the pipe. This is designed to remove the raptor perch in these habitats. This has been approved by OCD. See copy attached along with their stipulations.

If you have any questions, please contact James A. Amos @ 575-234-5909.

See attached standard COAs.

See attached Reclamation Procedures

James A. Amos  
575-234-5909

4/11/09

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 14151  
Order No. R-12965

IN THE MATTER OF THE REQUEST SUBMITTED BY THE BUREAU OF  
LAND MANAGEMENT REGARDING THE PLUGGED AND ABANDONED  
WELL MARKERS IN THE LESSER PRAIRIE CHICKEN AND SAND DUNE  
LIZARD HABITAT

BY THE OIL CONSERVATION DIVISION (DIVISION):

This request came to the attention of NMOCD oil and gas inspectors on May 27, 2008, through a letter dated May 23, 2008 (BLM REFERENCE NUMBER 1310 (NM510)).

After review of that letter, those inspectors, having considered the matter, conclude the following:

1. The United States Bureau of Land Management (Bureau of Land Management or BLM) has observed that Raptors perch on steel markers placed pursuant to NMAC 19.15.4.202(B)(2) in portions of Eddy, Lea, Chaves, and Roosevelt Counties (hereinafter "Special Status Species Resource Management Plan Area" or "SSSRMPA") and prey on the Lesser Prairie Chickens and Sand Dune Lizards.

2. The lesser Prairie Chicken and the Sand Dune Lizard are Special Status Species warranted for listing pursuant to the Endangered Species Act, and considerable effort has been expended by the BLM and Oil and Gas Operators in the SSSRMPA to stabilize the population of these species within the area.

3. The SSSRMPA is that area designated in the Special Species Resources Management Plan (as amended), which is attached hereto as map no. 1.

4. The BLM has requested that operators or other parties be allowed to replace or install well markers at a level in the SSSRMPA that does not extend significantly above ground to prevent predators' use of plugged and abandoned well markers as perches.

5. Lowering these markers to ground level will significantly improve the chances of maintaining a stable population of Lesser Prairie Chickens and Sand Dune Lizards.

6. Stable populations of the two species will minimize operating costs within the SSSRMPA.

Bureau of Land Management  
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JUN 30 2008

Alachua Field Office

7. Division Rule 202 B (2) states that "The operator shall mark the exact location of plugged and abandoned wells with a steel marker not less than four inches (4") in diameter set in cement and extending at least four feet (4') above mean ground level. The operator name, lease name, and well number and location, including unit letter, Section, Township, and Range, shall be welded, stamped, or otherwise permanently engraved into the metal of the marker.....No plugged and abandoned marker shall be removed without the written permission of OCD".

8. Division Rule 1303 states in part "Only oil and gas inspectors and their deputies shall have the discretion to allow minor deviations from requirements of the rules as to field practices, where, by so doing, waste will be prevented, or burdensome delay or expense on the part of the operator will be avoided."

9. Changing the required height of the steel markers is a minor deviation from the requirement of the rules.

10. The Division accordingly concludes that BLM's request should be granted.

**IT IS THEREFORE ORDERED THAT:**

1. The request of the Bureau of Land Management is hereby granted. The plugged and abandoned well markers within BLM's Special Status Species Resources Management Plan, (Amendment 2008) in portions of Eddy, Lea, Chaves, and Roosevelt Counties of New Mexico, may be installed or cut off at approximately 2 inches above ground level, and the party installing or replacing such marker shall weld a rounded metal plate to it with the information required by Rule 202 (B)(2).

2. The granting of this request is subject to approval by the Bureau of Land Management.

3. Upon replacement of existing plugged and abandoned well markers, or installation of a new well marker, the operator or party replacing such marker shall submit a letter to the applicable OCD district office. This letter shall contain the affected well name, the GPS location of the well and the well API number. This letter will become part of the OCD well file.

DONE at District I Hobbs, and District II Artesia, New Mexico, on the day and year hereinbelow designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

Maley Brown  
Oil and Gas Inspector

Date: 6/25/2008

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

M. L. Brown  
Oil and Gas Inspector

Date: 6/25/2008





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, New Mexico 88220-6292  
www.blm.gov/nm



In Reply Refer To: 1310

### Reclamation (Interim/Final) Procedures

**Interim and Final Reclamation:** The objective of reclamation in the short term is to provide site stability and basic resource productivity. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. Basically restore the native soils, contour the location to blend with the surrounding landscape, prepare a good seedbed and seed.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines, strip and remove caliche, contour, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to pads and roads. Barricade access road at the starting point. If reserve pit has not reclaimed due to salts or other contaminants, submit a plan for approval, as to how propose to provide adequate restoration of the pit area. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.

1. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
2. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
3. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.
4. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
5. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access road is not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met, submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.

6. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos  
Supervisory Environmental Protection Specialist  
575-234-5909, 575-361-2648 (Cell)

Cody Layton  
Natural Resource Specialist  
575-234-5959

Terry Gregston  
Environmental Protection Specialist  
575-234-5958

Trishia Bad Bear  
Natural Resource Specialist  
575-393-3612

Bobby Ballard  
Environmental Protection Specialist  
575-234-2230

Todd Suter  
Surface Protection Specialist  
575-234-5987

Randy Rust  
Environmental Protection Specialist  
575-234-5943

Doug Hoag  
Civil Engineering Technician  
575-234-5979

Linda Denniston  
Environmental Protection Specialist  
575-234-5974

Jennifer Van Curen  
Environmental Protection Specialist  
575-234-5905

Justin Frye  
Environmental Protection Specialist  
575-234-5922