

NEW Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

Form 3160-5
(August 2007)

RECEIVED
06 2009
BUREAU OF LAND MANAGEMENT

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.

5. Lease Serial No.
NMLC060978

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well

☐ Gas Well

☐ Other

7. If Unit of CA/Agreement, Name and/or No.
NMNM70990X

2. Name of Operator
EOR OPERATING COMPANY

8. Well Name and No.
MILNESAND SA 35

3a. Address
ONE RIVERWAY SUITE 610
HOUSTON, TX 77056

3b. Phone No. (include area code)
832-485-8500

9. API Well No.
30-041-00142

10. Field and Pool or Exploratory Area
MILNESAND SA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FNL & 660' FWL
UL D 19-8S-35E

11. Country or Parish, State
ROOSEVELT, NM

12. CHECK THE 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 Treat	<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 type="checkbox"/> Plug and Abandon	<input checked="" 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 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 must 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 must be filed 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.)

START DATE: 4/15/08
WELL FAILED MIT.

- 1.) RU, POOH W/TBG & EXISTING PKR. RIH W/ BIT & SCRAPER TO BOTTOM & CLEAN OUT FILL.
- 2.) RIH W/PKR & PLUG, TEST CSG. IF CSG NEEDS REPAIR. LOCATE HOLE & CEMENT SQZ. DRILL OUT CEMENT.
- 3.) RIH W/ EXITING 2 3/8" IPC TBG. REPLACE TBG IF NEEDED. RUN NEW 4 1/2" HES G6 PKR. SET PKR @ APPROXIMATELY 4502'
- 4.) CIRCULATE PACKER FLUID. SET PKR & TEST ANNULUS TO 500 PSI.
- 5.) NIPPLE UP WELL HEAD. RD, MOVE OFF PULLING.
- 6.) (4 1/2" 10.5# CSG @ 4536', 7 5/8" 26.4# CSG @ 4950', PERFS 4548'-4675'

APPROVED FOR ~~THREE~~ MONTH PERIOD
ENDING JAN 04 2010

RECEIVED
2009 SEP 24 AM 10:54
BUREAU OF LAND MGMT.
ROSWELL OFFICE

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

Lawrence A. Spittler, Jr.

Title Sr. Well Operations Supervisor

Signature

Date 09/21/2009

PETROLEUM ENGINEER

OCT 07 2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date SEP 28 2009

Conditions of approval, if any, are attached. Approval of this

Warrant or certify which would

Office ROSWELL FIELD OFFICE

*Please Pay Close Attention To Part 2.E. Of The Conditions Of Approval. Please Call The Roswell Field Office At (575) 420-2832 Or After Hours Call (575) 627-0205 At Least 24 Hours Prior To The Scheduled Casing Integrity Test.

for any person knowingly and willfully to make to any department or agency of the United States any false, jurisdiction.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

New Mexico Oil Conservation Division, District I
1625 N. French Dr. Hobbs, NM 88240

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(August 2007)

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BUREAU OF LAND MANAGEMENT

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START DATE: 4/28/08 COMPLETED DATE: 5/3/08
WELL WAS A WATER INJECTOR THAT FAILED ITS MIT.
COMPLETED WELL AS A (T/A) TEMPORAIRRLY ABONDONED WELL.

- 1.) RU, POOH LD TBG & EXISTING PKR. RIH W/ BIT & SCRAPER TO BOTTOM.
- 2.) RIH W/PKR & PLUG, TEST CSG. GOOD
- 3.) RU ELECTRIC LINE. SET 4 1/2" @ 4448'. PLACED 35' OF CEMENT ON TOP OF CIBP. RD ELECTRIC LINE CO.
- 4.) CIRCULATE PACKER FLUID. TESTED ANNULUS TO 500 PSI.
- 5.) NIPPLE UP WELL HEAD. RD, MOVE OFF PULLING UNIT.
- 6.) 5/5/07 CONDUCTED (MIT) MECHANICAL INTRGRITY TEST TO 580 PSI. TESTED GOOD.
(4 1/2" 10.5# CSG @ 4536', 7 5/8" 26.4# CSG @ 4950', PERFS 4548'-4675')

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

Lawrence A. Spittler, Jr.

Title Sr. Well Operations Supervisor

Signature

Date 09/21/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Title

Date

OCT 07 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, make 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.

(Instructions on page 2)

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
575-627-0272

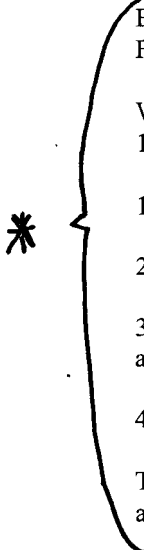
Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporary abandoned well is defined as a completion that is not capable of production in paying quantities but may have value as a service well. Pursuant to 43 CFR 3162.3-4(c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - A. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - B. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - C. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - D. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - E. Contact the BLM Roswell Field Office office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Chaves and Roosevelt County, call (575) 420-2832 or after office hours call (575) 627-0205.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for a 12 month period provided by the operator.

- 
- A handwritten asterisk is located to the left of a large bracket that groups items 1 through 4 of the following list.
1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
 2. Attaches a clear copy of the original pressure test chart.
 3. Provided justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.
 4. Describes the temporary abandonment procedure.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.