

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Oil Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
~~Ariesia, NM 88210~~

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS  
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

AMERICAN INLAND RESOURCES COMPANY, LLC.

3. Address and Telephone No.

P.O. BOX 50938; MIDLAND, TX 79710; (432) 685-0981

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

660' FSL & 1980' FEL; SEC 34, T-13-S, R-31-E, UNIT O

5. Lease Designation and Serial No.

LC062476

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

FEDERAL V #2

9. API Well No.

30-005-00911

10. Field and Pool, or Exploratory Area

CAPROCK QUEEN

11. County or Parish, State

CHAVES CO., NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☒ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☐ Other  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

PROPOSE TO P&A AS FOLLOWS:

PLUG	CMT (SX)	INTERVAL
1	75	2363-3025
2	20	300-150
3	15	0-60

CIBP @ 3025' W/75 SX. (OH COMP. 3040-3059') (B-SALT)  
SPOT (T-SALT)  
SPOT

See Attached Procedures

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct

Signed Michael D. Puchard Title

OPERATIONS ENGINEER

Date 12/16/03

(This space for Federal or State use)

Approved by PE Title

Date 1/8/04

Conditions of approval, if any:

## Plugging procedures for the Federal V #2

1. Set CIBP at 3025 w/35 ft of cement on top.
2. Perf. at 2050 ft and squeeze leave 100 ft plug from 2050 ft. to 1950 ft.
3. Perf. at 1325 ft. and squeeze leave 100 ft. plug from 1325 ft. to 1225 ft. and tag
4. Perf. at 260 ft. and squeeze cement to surface and leave 100 ft. plug from 260 ft to 160 ft.
5. 60 ft. surface plug.

**BUREAU OF LAND MANAGEMENT  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201  
505-627-0272**

**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 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> 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 BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations at call 505-627-0272,.

3. Blowout Preventers: 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. 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 otherwise specified in the approved procedure, the cement plug shall consist of either class "C", for up to 7,500 feet of depth, mixed at 14.8 lbs./gal. with 6.3 gallons of fresh water per sack or class "H", for deeper than 7,500 feet plugs, mixed at 16.4 lbs./gal. with 4.3 gallons of fresh water per sack.

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, the name of the operator, the lease serial number, the surveyed location (the 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.