

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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NOV 16 2009

HOBBSOCD

FORM APPROVED  
OMB No 1004-0135  
Expires November 30, 2000

**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**

5 Lease Serial No

NM-02791 A

6 If Indian, Allottee or Tribe Name

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

North El Mar Unit

NM 70994X

8. Well Name and No.

North El Mar Unit #39

9 API Well No

30 025 08435

10 Field and Pool, or Exploratory Area

El Mar (Delaware)

11 County or Parish, State

Lea County, N.M.

1 Type of Well  
☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator  
Sahara Operating Company

3a Address  
P.O. Box 4130, Midland, TX 79704

3b. Phone No (include area code)  
432/697-0967

4 Location of Well (Footage, Sec, T., R., M., or Survey Description)  
660' FSL & 1650' FWL, Sec 30, T26S, R33E, NMPM  
Unit Letter "N"

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 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 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.)

Request continued TA status for this well

We wish to continue preserve this well bore for EOR. Justification attached

Well passed MIT on 11-21-06, witnessed by Andy Cortez of the BLM.

Wellbore is as follows: Casing: 4-1/2" @ 4786'  
Perfs: 4675'-4765'  
CIBP: @ 4613'

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

Robert McAlpine

Title President

Signature

Date 10/31/2008

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

APPROVED

NOV 11 2008  
/s/ JD Whitlock Jr

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DISTRICT 1 SUPERVISOR

Date

NOV 17 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 USC Section 1001 and Title 43 USC 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.

LAST Prod. prior to 8/1989  
LAST Prod. Report 8/2006

After 6-30-09 the well must be online  
or plans to P & A must be submitted.

**North El Mar Unit  
Temporarily Abandoned Wells**

October 31, 2008

It is requested that Temporarily Abandoned status be continued for the temporarily abandoned wells in the North El Mar Unit, Lea County, New Mexico. Please refer to the Justification For Request For Temporarily Abandoned Status for these wells dated July, 2006 and the Status Updates dated June 25, 2007, September 28, 2007, December 19, 2007, April 22<sup>nd</sup>, 2008, and June 20, 2008, and September 29, 2008.

As of the most recent Status Update, on September 29<sup>th</sup>, 2008, Oxy had announced that they had reached agreement with Plains Exploration (successor to Pogo Producing in the Cotton Draw Unit) to purchase the remaining 50% working interest in the Cotton Draw Unit and other properties. We have continue to have contact with Oxy to determine how this will affect work on the Cotton Draw Unit CO<sub>2</sub> flood, but have received no definitive answers. It appears that Oxy is still "digesting" their recent acquisitions.

On June 30<sup>th</sup>, 2008, Oxy announced an investment of \$1.1 billion to develop gas processing and pipeline infrastructure to produce 450 MMCFD of CO<sub>2</sub> capacity, expecting this to result in an increase in Oxy's Permian Basin oil production of 50,000 BOPD within 5 years. Conversations at the time with Oxy indicated that the Cotton Draw Unit was one of the primary proposed targets for this new CO<sub>2</sub> supply.

We are requesting extensions of TA status with the understanding that Sahara must show some definitive plans for these wells by June 30<sup>th</sup>, 2009. We will work diligently towards this, and failing that will begin preparations to reactivate any wells which show commercial potential, and plug and abandon those which, for lack of a CO<sub>2</sub> project, do not.