	UNITED STA DEPARTMENT OF	THE INTERIOR	-52 -3		FORM APPROVED OM B No 1004-0137 Expires: March 31, 2007
	BUREAU OF LAND			5. Lease Seri	
		REPORTS ON WE			-065581
Do not use t abandoned w	his form for proposi vell. Use Form 3160	als to drill or to re-e -3 (APD) for such pro	enter an oposals.	6. It indiar	1, Allottee or Tribe Name
SUBMIT IN TR	RIPLICATE- Other	instructions on reve	rse side.		r CA/Agreement, Name and/or No
1. Type of Well Oil Well	her IN-	Ini-		NMNM71067B 8. Well Name and No.	
2. Name of Operator NADEL AN	D GUSSMAN HEYCO, I			9. API W	
3a. Address PO BOX 1936 ~ ROSWELL NM 88202-1936		3b. Phone No <i>(include area code)</i> 505-623-6601		30-025-29047 10 Field and Pool, or Exploratory Area	
4 Location of Well (Footage, Sec.,	, T., R., M., or Survey Descrip	ption)			ng Bone Springs
E-9-18S-32E NENE 1980' FN	NL & 660' FWL				or Parish, State
12. CHECK A	PPROPRIATE BOX(ES	5) TO INDICATE NATUR	RE OF NOTICE, R	EPORT, OF	R OTHER DATA
TYPE OF SUBMISSION		TY	PE OF ACTION		
✓ Notice of Intent	Acidize	Deepen Fracture Treat	Production (Sta	art/Resume)	Water Shut-Off Well Integrity
Subsequent Report	Casing Repair	New Construction	Recomplete		Other Extend TA Status
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily At	vandon	
Final Adamoniment Nonce	Convert to Injection	n Plug Back	Water Disposal		
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Unit Plan of Development Guidelines

- 1. A cover letter should be included stating that the attached is the proposed Unit POD for (current year) for BLM review and approval.
- 2. Plan of development or operation to be submitted annually and cover the plans for the next year. Plan is to include all drilling, completing, plug back, conversion, abandonment, and producing of unit wells, and other surface disturbing operations, and may be supplemented as necessary. See 43 CFR Ch. II 3186.1.
- 3. New annual plan is to be submitted prior to expiration of the previous plan. Plan to be submitted not later than March 1 of the calendar year for which it is applicable.
- 4. Modifications or additions are to be filed as supplements to the plan.
- 5. Routine stimulation and work over operations need not be covered by the plan of development as long as the resulting producing interval remains within the limits established for the participating area.
- 6. Each plan must provide for exploratory or developmental drilling to fully delineate the productive limits of the unit area or must justify the lack of drilling.
- 7. Up to date maps to be sent which are to include the following:
 - a. Latest structural and geologic interpretations.
 - b. All participating area boundaries.
 - c. Field map showing all wells, flow-lines, and roads.
- 8. Status of all wells.
- 9. Summary of all operations conducted during the past year.
- 10. Performance graphs covering the productive life of each horizon or reservoir for which a participating area has been established.
- 11. Proprietary geologic information is to be submitted separately and clearly marked by the unit operator on each page – CONFIDENTIAL INFORMATION
- 12. Plan to be submitted in triplicate.
- 13. Approval of plan does not approve the work covered by the plan. Individual approval is still required for such items as APDs/ROWs/etc.

WWI 022309

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Temporary Abandonment of Wells on Federal Lands Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which 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 mechanical or 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.

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a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. The bridge plug is to be capped with 35 feet of cement (if bailed) or 25 sacks (if placed with tubing). 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 appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.

3. Provides 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.

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

- 1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval with well bore diagram.
- 2. Describes the temporary abandonment procedure.
- 3. Attaches a clear copy or the original of the pressure test chart.
- 4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

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.

Young Deep Unit #16 Submit Subsequent Report and well bore diagram with all Perforations and CIBP with tops of cement. Well <u>may</u> be approved to be TA after successful MIT and subsequent report is submitted.