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FORM 3160-5  
(April 2004)  
DEC 31 2009  
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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

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 *Inj*

2 Name of Operator *Finley Resources, Inc.*

3a Address  
1308 Lake Street, Ste. 200, Fort Worth, TX 76102

3b Phone No (include area code)  
817-336-1924

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

1983' FWL & 1983 FSL of Section 34 - 20S - 36E

5 Lease Serial No

*NM 18264*

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No

Federal D #2

9 API Well No

30-025-04337

10 Field and Pool, or Exploratory Area

Eumont (Y-7R-Q)

11 County or Parish, State

Lea

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ 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 recompletable 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 recompletable 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.)

Proposed operation to TA tpilot injector. POOH. w/tbg and packer. Set CIBP @ 3720' (84' above top perf). Pressure test to 1000#, if ok displace w/packer fluid. Secure well as TA'ed

SUBJECT TO LIKE  
APPROVAL BY STATE

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVED

DEC 26 2009

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

*Well Last used as WZU 5/08*

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

Crystal Martinez

Title Production Analyst

Signature

Date

12/04/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

*K2*

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.

(Instructions on page 2)

# Federal D #2

1980' FNL, 660' FWL, Sec 26E  
T20S, R36E Lea Co., NM  
Eumont Field completion Date: 12/19/54

KB 3581'  
API # 30 025 04337  
NM ID 1150023

*Current Status*  
PILOT INJECTOR

9 5/8" @ 317' w/ 300 sx. Circ.

Stimulation  
8/54 1000 gal 15%, 20000 gal oil, 22500# sd  
7/25/1991 Approved as pilot waterflood injector  
NMOCD Permit # R-9556  
12/06 Clean out junk to 3982' Acidize perforations  
Perform successful MIT. Return to injection.  
4/07 Perform Step Rate Test Per NMOCD.

2 3/8" 4.7# EUE fiberglass lined tbg

Arrowset 1X packer @ 3736'

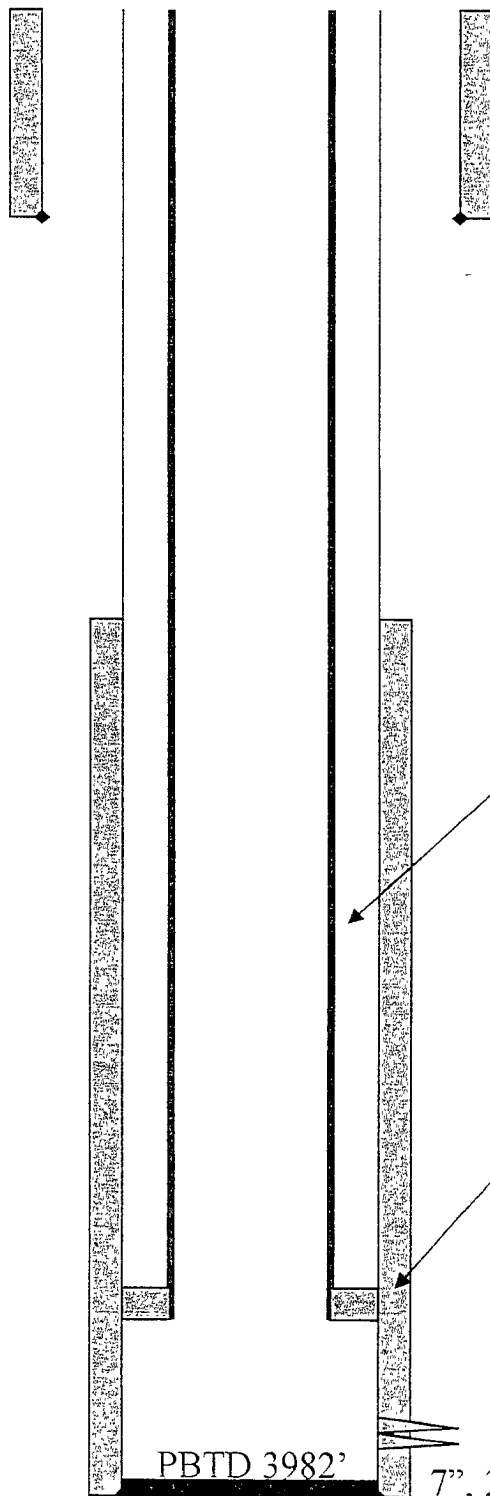
Queen Perfs:

3804-98', 3910-64' w/ 592 bullets.

7", 23#, J-55 @ 3990' w/ 800 sx, TOC 2384' (TS)

Current  
2/11/2007

PBTD 3982'



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Eumont Field completion Date 12/19/54

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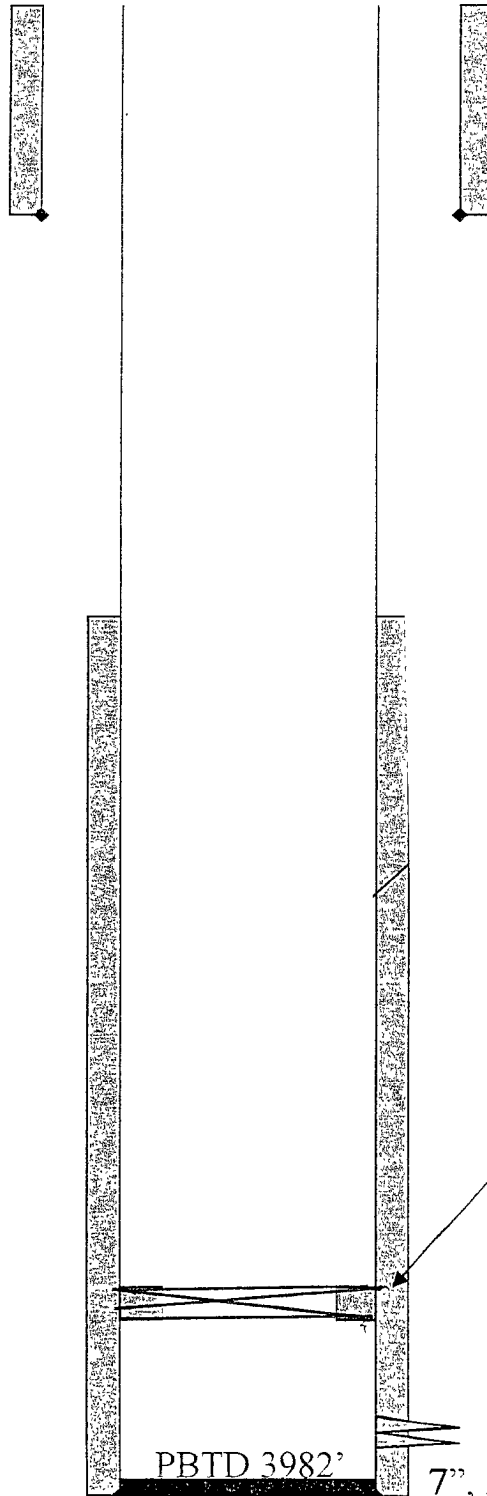
4/07 Perform Step Rate Test Per NMOCD

CIBP (to be set)  
@ 3720'

## Queen Perfs:

3804-98', 3910-64' w/ 592 bullets

7", 23#, J-55 @ 3990' w/ 800 sx, TOC 2384' (TS)



**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.
  - 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 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 with all perforations and CIBP's and tops of cement on CIBP's.
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.

**Federal D #2. Well may be approved to be TA/SI for a period of 6 months after successful MIT and subsequent report is submitted. This will be the last and only TA/SI approval. Well must be P&A or plans to use well must be submitted by 6/1/10. IF well is going to be used cement behind 7 inch casing string needs to be verified by Bond log to prove TOC. If well is to remain a WIW cement must be circulated to surface. No bleed off is allowed on WIW MIT**