Form 3160-5 (April 2004)

## UNITEDSTATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. Lease Serial No

FURMA	PPROVED
OM B No	1004-0137
	March 31, 2007
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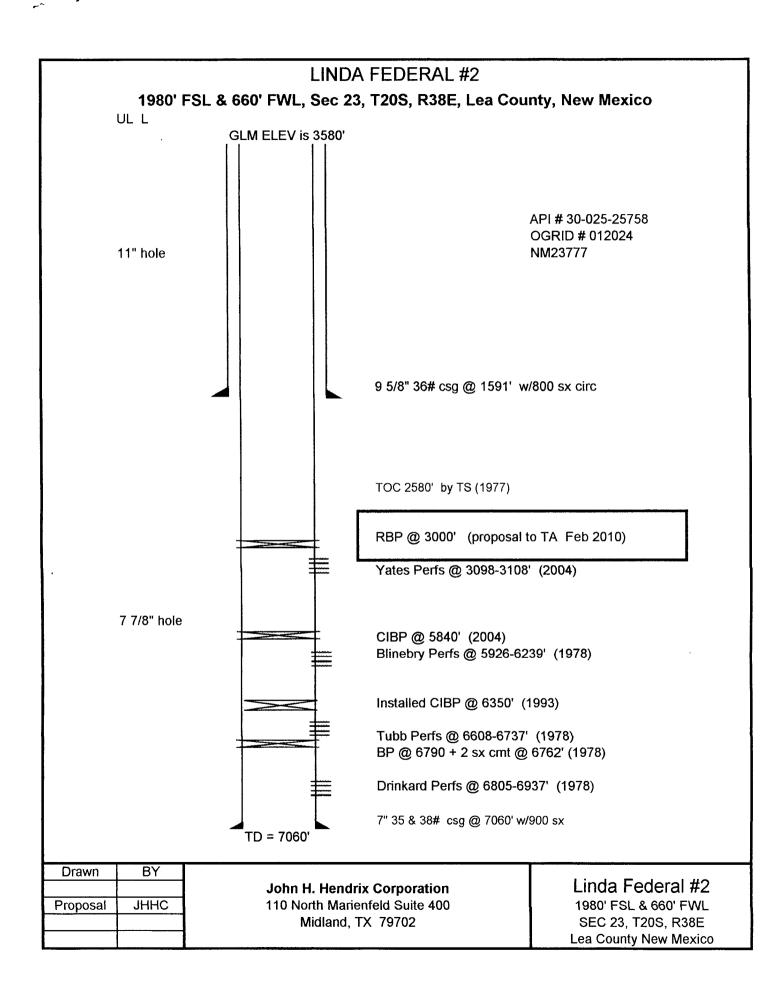
the state of the s
SUNDRY NOTICES AND REPORTS ON WELL'S 02 2010
Do not use this form for proposals to drill or to relenter an abandoned well. Use Form 3160-3 (APD) for such proposals (APD)
abaliuolied well. Use Form 3100-3 (APD) for such proposats.

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Do not use th abandoned we	nis form for proposals to drill or ell. Use Form 3160-3 (APD) for s	to rejenter an uch proposals. OCD	6. If Indian, Allottee or Tribe Name
SUBMIT IN TRI	IPLICATE - Other instructions or	n reverse side.	7. If Unit or CA/Agreement, Name and/or No
1. Type of Well Oil Well	Gas Well ' Other		8 Well Name and No.
2 NameofOperator			Linda Federal #2 ✓
John H. Hendrix Corpora  3a Address		lo (include area code)	9 API Well No. 30-025-25758
P. O. Box 3040 (432)684-6631  4. Location of Well (Footage, Sec., T, R., M, or Survey Description)			10 Field and Pool, or Exploratory Area House Seven Rivers SW
1980' FSL & 660' FWL ULL Sec. 23, T20S, R38I			11. County or Parish, State Lea Co., NM
12. CHECK A	PPROPRIATE BOX(ES)TO INDICATE	NATURE OF NOTICE, R	EPORT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
<ul><li></li></ul>	Acidize Deepen  Alter Casing FractureT  Casing Repair New Cons  Change Plans Plug and A  Convert to Injection Plug Back	struction Recomplete Abandon Temporarily Ab	Well Integrity Other
Attach the Bond under which the following completion of the intesting has been completed. Find determined that the site is ready.  Propose to TA well due to the site is ready.	the work will be performed or provide the Bond N volved operations. If the operation results in a mul nal Abandonment Notices shall be filed only after y for final inspection)  to Southern Union Gas Services S ing rights or plug & abandonment	No on file with BLM/BIA. Requilitiple completion or recompletion all requirements, including reclans	
Estimte TA date: March	15, 2010	_	
MIRU POOH w/ rods, pu GIH set RBP @ 3000'. Load csg. w/ pkr., fluid &		SEE ATTA	ACHED FOR ONS OF APPROVAL
SUBJECT TO LIKE APPROVAL BY ST			
<ul><li>I hereby certify that the foreg Name (Printed/Typed)</li><li>Carolyn Doran Haynes</li></ul>		Title Engineer	
Signature	Dua /kum	Date 2 /10/2010	
	THIS SPACE FOR FEDERAL	OR STATE OFFICE	USE
Conditions of approval, if any, are	JD Whitlock Jr Elf 3-4- attached Approval of this notice does not warrall or equitable title to those rights in the subject		Date 7/26/10

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.

which would entitle the applicant to conduct operations thereon.





301 Commerce Street, Suite 700 Fort Worth, TX 76102

817.302.9433 Fax: 817.302.9352

January 14, 2010

John H. Hendrix Corporation Attn: Ron Westbrook P.O. Box 3040 Midland, TX 79702-3040

Re:

Contract # L-132 dated August 1, 2003 between Sid Richardson Energy Services

Co., Southern Union Gas Services, successor in interest, and John H. Hendrix

Corporation

Dear Mr. Westbrook:

Please be advised that the following meters have had low flow for the past 6 months. Therefore, it is uneconomical for Southern Union Gas Services, Ltd. to keep these meters connected to our gathering system.

Meter #	Meter Name	County/State
61918	Linda Federal #2	Lea County, NM
61948	Llano Federal #1 Y	Lea County, NM

Southern Union would like to disconnect these meters pursuant to the last paragraph of Paragraph D of the above referenced contract:

"Southern may elect, upon 30 days notice, to cease receipts of Seller's Gas at any of Seller's Delivery Points which have a volume of ten (10) Mcf per day or less. Seller understands and agrees that this action is to be considered a disconnect pursuant to the appropriate state regulations."

Should you have immediate plans to restore these wells to commercial production, please contact the undersigned within the next thirty days. Unless directed otherwise, our Measurement Department will disconnect these meters on the first regular business day following the expiration of thirty (30) days from the date of this letter.

Should you recomplete or rework these wells in the future, please contact your Gas Supply Representative, Coby Washburn at 817-302-9772.

Sincerely,

Susan Lampe

Contract Administrator Phone: 817-302-9433 Susan.lampe@sug.com JOHN H. HENDRIX CORP.

JAN 19 2010

MIDLANU, TX

cc: Gas Supply Representative

File L-132

1/19/10 Copies to: Carolin X & Ran & Rhonde

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

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 less than 10% (50 psi) bleed off for oil and gas wells.
  - 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 <u>with well bore diagram</u> 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:

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

Linda Fed. #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 return to beneficial use submitted by September 1, 2010. CIBP's will have to be removed so as to place cement on top of BP @ 6790' prior to plugging of well bore. All CIPB's must be capped with cement, 25 sacks if set with tubing or 35' if set with bailer. Notify BLM to witness placement of cement on plugs and MIT.