Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OM B 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.*

5. Lease Serial No.
LC029405B

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
MCA Unit #60

2. Name of Operator
ConocoPhillips Company

9. API Well No.
30-025-08035

3a. Address
3300 N. "A" St., Bldg. 6 Midland TX 79705

3b. Phone No. *(include area code)*
(432)688-6813

10. Field and Pool, or Exploratory Area
Maljamar; Grayburg-San Andres

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 19, T17S, R32E, Unit Letter "I"
1980' FSL & 660' FEL

11. County or Parish, State
Lea County
NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[ ] Other
	[ ] Change Plans	[X] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] 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.)

ConocoPhillips requests to plug and abandon the MCA #60 wellbore. Efforts were made to reactivate the well in August 2010, but the tubing, rods, and pump could not be recovered after extensive attempts. Please see the attached statement from the Engineer, Scott Bles, and a description of the wellbore configuration, as well as a summary of the work done.

RECEIVED
DEC 27 2010
HOBBSOCD

SEE ATTACHED FOR CONDITIONS OF APPROVAL

RECLAMATION PROCEDURE ATTACHED

RECEIVED
DEC 16 2010
NMOCD ARTESIA

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Jalyn N. Fiske

Title Regulatory Specialist

Signature J N. Fiske

Date 12/01/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved by

Title

Date
DEC 14 2010

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

/s/ Dustin Winkler

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

01-26-2011

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.

(Instructions on page 2)

State of New Mexico
Oil Conservation Division

ConocoPhillips, as operator of the MCA Unit in Lea County, NM, requests approval to permanently plug and abandon MCA 60 following unsuccessful efforts to recover production tubing, rods & pump. Those efforts commenced August 4, 2010 and were suspended October 6, 2010. It was intended to return MCA 60 to production. However, initial workover efforts to pull rods and pump as well as pull tubing were not successful. The rod string inside the production tubing was cemented up to surface with calcium sulfate scale. The tubing-casing annulus was cemented up to 452 feet from surface with calcium sulfate scale. Efforts to pump down the casing-tubing annulus @ 500# were unsuccessful.

During the period August 4, 2010 through October 6, 2010, MCA 60 was cleaned out to the current top of tubing at 2731 with bottom of tubing at 3476. A total of 745 ft of production tubing is currently in the well with 710 ft of rods and a 12 ft pump inside the tubing. The tubing-casing annulus and the rod string-tubing annulus are cemented up with insoluble calcium sulfate scale. Efforts to obtain a pump-in rate at 600# below PKR positioned at 2641 were unsuccessful. Progress since September 6, 2010 has been minimal at less than 100 feet after 21 days. During this 21-day period, the well was cleaned-out from 2645-2731.

It is proposed to permanently plug and abandon well:

1. Set CIBP @ 2700 and cap w/ 100 ft. cmt.
2. Spot cement plugs in 7" casing:

2100 - 2300	(7" csg TOC: 2200)
1700 - 1900	(base of salt: 1775)
700 - 900	(top of salt : 795; 8-5/8" csg shoe: 757)
0 – 100	(surface plug)

Scott Bles
Production Engineer
Office: 432-368-1335
Fax: 432-368-1471
scott.bles@conocophillips.com

The following is a description of the current well configuration:

	Depth: RKB		
	top	btm	KB - GL: 2 ft. (Western Co. GR/N/Cal 01.15.74)
8-5/8"	surface	757	03.13.42: Cmt w/ 50 sx. TOC: Surface.
7" (20#)	surface	3495	04.11.42: Cmt w/ 150 sx. TOC: 2200 (Dresser Atlas CBL: 5.18.77).
Perforate 7" csg @ 3 spf	740	742	05.19.77: Cmt 7" x 8-5/8" annulus from (740-742) to surface w/ 150 sx.
			05.25.77: Re-squeeze 740-742 w/ 150 sx.
			05.27.77: Test squeezed interval 740-742 @ 1500#. Test OK.
Junk-in-Hole			10.06.10: Left in hole after 45 day effort to recover (08.04.10-10.06.10)
Tubing:			
2-7/8", 6.5# J-55	2731	3422	Ftg: 691
2-3/8", 4.7#, J-55 IPC	3422	3453	31
2-3/8" Seating Nipple	3453	3454	1
2-3/8", 4.7#, J-55 Mud Anchor	3454	3476	22
			745
Rods & Pump (Inside Tubing)			
3/4" Grade C Sucker Rods	2732	3417	Ftg: 685
1-1/2" sinker bar	3417	3442	25
1-1/4" Insert Pump	3442	3454	12
			722
Completion Interval (6-1/4" OH)	3495	3725	05.19.42: Original Driller TD @ 3725
	3495	3970	04.16.46: Deepen OH to Driller TD @ 3970
	3492	3982	01.15.74: Logger TD @ 3982 (Logger 7" csg shoe @ 3492)
Left-in-Hole: Lynes OH BP		3982	11.21.75: Lynes OH BP pushed to Logger TD @ 3982

The following is a description of current well configuration:

Report	Date	Activity	Cum $
1	08.04.10	MI RU. Test anchors. Attempt to pull rods. No movement. ND well. NU BOP. Attempt to pull tbg. Tbg stuck.	7,900
		Load 2-7/8" x 7" annulus w/ 1 BW. Annulus prs up to 500#. SION.	
2	08.05.10	Prs up on csg-tbg annulus to 500#. Could not pump down annulus. Back-off 2-7/8" tbg. POOH w/ 12 jts tbg & 16: 3/4" rods.	14,200
3	08.06.10	RIH w/ 4-11/16" OS w/ 3-21/32" grapple, 3-3/4" BS, 3-3/4" jars, 6: 3-1/2" DC, 3-3/4" jar intensifier & tbg.	28,700
		Tag @ 366. Jar tbg 6.5 hrs. No movement. POOH.	
4	08.09.10	RIH w/ 1 jt 2-7/8" tbg, 2-7/8" port-sub & 11 jts 2-7/8" tbg. Screw in top of tbg @ 367.	37,050
		RIH w/ string-shot. Tag @ 452 in 2-7/8" x 7" annulus. Make outside back-off @ tbg collar @ 429.	
		POOH w/ tbg. Rec 2 jts 2-7/8" tbg. TOF: 429	
5	08.10.10	RIH w/ 6-1/8" SOD shoe, 1 jt 5-3/4" WP on 2-7/8" tbg. Tag 452. Wash-over 452-470 (18 ft. in 2.5 hrs.: 7.2 FPH). POOH.	54,710
		RIH w/ tbg w/ 2-7/8" port-sub OE. Screw into tbg @ 430.	
		RIH w/ string-shot. Tag @ 467 in 2-7/8" x 7" annulus. Make outside back-off @ tbg collar @ 462.	
		POOH w/ tbg. Rec 1 jt 2-7/8" tbg. TOF: 462. RIH w/ 4-11/16" OS w/ 1-5/8" grapple to 437 (top of rods).	
		Back-off rods. POOH. Rec 15: 3/4" rods. (Top of rods: 815. Top of tbg: 462). SION.	
6	08.11.10	RIH w/ tbg OE. Screw into tbg @ 460. RIH w/ free-point. Tag @ 760. Make outside back-off @ tbg collar @ 740. POOH. Rec 9 jts tbg.	73,370
		RIH w/ 6-1/8" SOD shoe, 6 jts 5-3/4" WP on 2-7/8" tbg. Tag @ 470 in 2-7/8" x 7" annulus.	
		Wash-over 470-938 (468 ft. in 5.5 hrs.: 85.1 FPH). SION.	
7	08.12.10	POOH. RIH w/ tbg w/ 2-7/8" port-sub OE. Screw into tbg @ 740.	83,820
		RIH w/ string-shot. Make outside back-off @ tbg collar @ 895. POOH w/ tbg. Rec 5 jts 2-7/8" tbg & 3: 3/4" rods.	
		(Top of rods: 889. Top of tbg: 895). RIH w/ 6-1/8" SOD shoe, 6 jts 5-3/4" WP to 500. SION.	
8	08.13.10	Fin RIH to 938. Wash-over 938-1085 (147 ft. in 7.5 hrs.: 19.6 FPH). Reported water flow @ 960 (30 BPH) w/ red bed.	94,205
		(NOTE: 8-5/8" @ 757 & 7" @ 3495 w/ TOC @ 2200)	
9	08.16.10	POOH. RIH 4-11/16" OS w/ 3-21/32" grapple. Attempt to rec rods. POOH. SION.	104,085
10	08.17.10	RIH w/ 4-11/16" OS w/ 1-3/8" grapple to 884. POOH. Rec 10 ft: 3/4" rod (top of rods: 899, top of tbg: 895).	116,765
		RIH w/ tbg w/ 2-7/8" port-sub & 4-11/16" OS to 895. Engage tbg @ 895. Make outside back-off @ tbg collar @ 1051.	
		POOH. Rec 5 jts tbg & 6: 3/4" rods. RIH w/ 6-1/4" kut-rite shoe, 6 jts: 5-3/4" WP, 5: 3-1/2" DC on 2-7/8" tbg. SION.	
11	08.18.10	Fin RIH to 1083. Wash-over 1083-1222 (139 ft. in 3.5 hrs.: 39.7 FPH). POOH.	131,515
		RIH w/ tbg w/ 2-7/8" port-sub & 4-11/16" OS to 1051. Engage tbg @ 1051. Make outside back-off @ tbg collar @ 1235. SION.	

12	08.19.10	POOH. Rec 6 jts 2-7/8" tbg & 8: 3/4" rods. RIH w/ 6-1/4" SOD shoe, 10 jts 5-3/4" WP, DC on tbg.	152,815
		Wash-over 1224-1550 (326 ft. in 7 hrs.: 46.6 FPH). SION.	
13	08.20.10	POOH. RIH w/ tbg w/ 2-7/8" port-sub, 4-11/16" OS w/ 3-21/32" grapple. Engage OS. Pull 70000#. No movement.	163,565
		Attempt to back-off tbg @ 1541. POOH. Rec 4 jts tbg & 5: 3/4" rods (top of rods: 1372, top of tbg: 1372). SD.	
14	08.23.10	RIH w/ tbg w/ 2-7/8" port-sub, 4-11/16" OS. Engage OS. RIH w/ string-shot. Make outside back-off @ tbg collar @ 1547. POOH.	181,165
		Rec 6 jts tbg & 7: 3/4" rods. RIH w/ 6-1/4" SOD shoe, 6 jts 5-3/4" WP. Wash-over 1547-1621 (74 ft. in 2.5 hrs.: 29.6 FPH)	
15	08.24.10	Wash over 1621-1865 (244 ft. in 4 hrs.: 61 FPH). POOH. RIH w/ tbg, port-sub & OS w/ 3-21/32" grapple.	190,965
		Engage OS @ 1547. Pull 70000#. No movement. SION.	
16	08.25.10	Tighten tbg for back-off and tbg parted. POOH. Rec 1 jt tbg & 6' piece of another jt.	208,265
		RIH w/ tbg w/ OS w/ 3 ft. extension. Engage OS. Make outside back-off @ tbg collar @ 1854. POOH w/ wire-line. Hung-up @ 1546.	
		POOH w/ tbg. Rec 9 jts 2-7/8" tbg and remaining 26' piece of parted tbg and 10: 3/4" rods.	
		Left 10-15 ft. of wire-line, rope socket, 1-7/16" collar locator & 11" of 1/2" rod. SION.	
17	08.26.10	RIH w/ 6" lead impression block on tbg. Set down @ 944. POOH.	220,715
		RIH w/ 6-1/2" SOD shoe, 10 jts 5-3/4" WP, 6: 3-1/2" DC & tbg to 930. Clean-out scale bridge 944-950 (Note: 08.13.10).	
		RIH to 1841. SION.	
18	08.27.10	Wash-over 1854-2161 (307 ft in 4.5 hrs.: 68.2 FPH). POOH. RIH w/ 4-11/16" OS w/ 3-21/32" grapple. Engage OS	234,015
		Pull 70000#....tbg parted. POOH. Rec 23 jts 2-7/8" tbg & 29: 3/4" rods (top of rods: 2545, top of tbg: 2561). SI.	
19	08.30.10	RIH. Wash-over 2161-2521(360 ft. in 9 hrs. :40 FPH)	250,315
20	08.31.10	Wash-over 2521-2717 (196 ft. in 9 hrs. :21.8 FPH)	264,115
21	09.01.10	Start POOH w/ tbg & shoe. Well unloading. Pump 10 bbl 16# mud. Fin POOH w/ tbg, WP & shoe. Shoe worn out.	277,915
		Start RIH w/ tbg, WP & shoe. SDON.	
22	09.02.10	Pump 15 bbl 16# mud down tbg. Pump 20 bbl 16# mud down csg. Observe well. Fin RIH w/ tbg, WP & shoe. SDON.	292,865
23	09.03.10	Cut-over 2590-2648 in 6 hrs. (58 ft in 6 hrs.: 9.7 FPH).	307,815
24	09.07.10	Cut-over 2645-2648 in 30 min. (3 ft in 0.5 hr.: 6 FPH). Cut-over 2648-2649 in 5 hrs (1 ft. in 5 hrs.: 0.2 FPH). Rec metal in returns	321,615
25	09.08.10	POOH. Rec 24' tbg & 2:3/4" rods stuck in btm jt of WP. RIH w/ tbg w/ 5-3/4" lead impression block. Tag @ 2650. POOH.	338,215
		RIH w/ tbg, 6: 3-1/2" DC, 10 jts 5-3/4" WP & 6-1/4" SOD shoe.	
26	09.09.10	Cut-over tbg & rods: 2650-2661 in 9.5 hrs (11 ft. in 9.5 hrs.: 1.2 FPH)	352,015
27	09.10.10	POOH. Rec 10' tbg & 1: 3/4" rod in shoe. RIH w/ 4-11/16" OS w/ 2-7/8" grapple to 2661. Latch onto tbg. Tbg parted @ 4000#.	362,015
28	09.13.10	POOH w/ OS. Rec 6': 2-7/8" tbg. RIH w/ 4-11/16" OS. Unable to engage fish. POOH.	
		RIH w/ OS w/ 2-3/4" grapple. Unable to engage fish. POOH. RIH w/ tbg, 3 jts: 5-3/4" WP w/ 5-3/4" SOD shoe. SDON.	373,515
29	09.14.10	Cut-over 2658-2677 (19 ft. in 8 hrs.: 2.4 FPH)	386,815
30	09.15.10	POOH. Rec 19 ft.: 2-7/8" tbg & 1: 3/4" rod. RIH w/ 5-1/2" box tap. Tag 2678. Work tap over fish. POOH.	400,115
		Rec 1.5 ft of 3/4" rod. RIH w/ new SOD shoe. SION.	

31	09.16.10	Cut-over 2678-2701 (23 ft. in 8 hrs.: 2.9 FPH). Unable to make hole.	413,415
32	09.17.10	POOH. Rec 22 ft: 2-7/8" tbg & 15 ft: 3/4 rod. RIH w/ 4-11/16" OS w/ 2-7/8" grapple to 2701. Unable to engage fish. POOH	426,715
		RIH w/ tbg, 3 jts: 5-3/4" WP w/ 5-3/4" SOD shoe. Cut-over 2701-2706 (5 ft. in 3 hrs.: 1.7 FPH)	
33	09.20.10	Cut-over 2706-2714 (8 ft. in 8 hrs.: 1.0 FPH)	436,832
34	09.21.10	POOH. Rec 5 ft.: 2-7/8" tbg & 17 ft.: rods. RIH w/ OS. Unable to engage fish. POOH.	449,452
		RIH w/ tbg, 3 jts: 5-3/4" WP w/ 5-3/4" SOD shoe. Tag @ 2713. Cut-over 2713-2716 (3 ft. in 3 hrs.: 1.0 FPH)	
35	09.22.10	Cut-over 2716-2719 (3 ft. in 5 hrs.: 0.6 FPH). POOH. No recovery. Shoe worn out. RIH w/ new shoe.	458,886
36	09.23.10	Cut-over 2719-2728 (9 ft. in 9 hrs.: 1.0 FPH).	468,320
37	09.24.10	POOH. Rec 20 ft.: 2-7/8" tbg & 20 ft.: rods. RIH w/ new shoe. Tag @ 2721. Cut-over 2721-2731 (10 ft. in 5 hrs.: 2 FPH)	480,840
38	09.27.10	Cut-over 2730-2731 (1 ft. in 5.5 hrs.: 0.2 FPH). POOH. No recovery. Shoe worn out. RIH w/ new shoe.	493,610
39	09.28.10	RIH w/ tbg, 6: 3-1/2" DC, 4 jts: 5-3/4" WP w/ 6-1/4" SOD shoe. Tag @ 2721. Cut-over 2721-2722 (1 ft. in 3 hrs.: 0.3 FPH)	505,110
		POOH. Rec 3 ft.: 3/4" rod. RIH w/ 7" PKR. Set PKR @ 2641.	
		Pressure-up tbg to 600#. Had slow leak-off to 0# in 3 min. Unable to get PIR. Test tbg-csg annulus. PIR: 2 BPM @ 0#.	
		Re-set PKR @ 1490. Pump down tbg & circ out annulus.	
		Re-set PKR @ 905. Test tbg-csg annulus @ 500#. Test OK. POOH w/ tbg & PKR.	
40	09.29.10	RIH w/ 5-1/2" box tap to 2721. Could not engage fish. POOH.	515,660
		RIH w/ tbg, 6: 3-1/2" DC, 4 jts: 5-3/4" WP w/ 6-1/4" SOD shoe. Tag @ 2721. Cut-over 2721-2740 (19 ft. in 6.5 hrs.: 2.9 FPH)	
41	09.30.10	Cut-over 2740-2816 (76 ft. in 7.0 hrs.: 10.9 FPH). POOH. RIH 5-1/2" impression block. SDON.	525,210
42	10.01.10	Repair rig	526,660
43	10.04.10	Fin RIH w/ 5-1/2" lead impression block. Tag @ 2721. POOH. Possible coiled-up rod looking up.	536,610
		RIH w/ wire-line grab. POOH. Rec 11 ft.: 3/4" rod. RIH w/ 4-11/16" OS w/ 2-7/8" grapple to 2731. Unable to engage fish. POOH.	
		RIH 4-11/16" OS w/ 2-3/4" grapple. SION.	
44	10.05.10	Fin RIH w/ OS. Tag @ 2731. Unable to engage fish. POOH. RIH w/ 5-1/2" impression block. Tag @ 2731. POOH	544,710
		RIH w/ WP. POOH & LD WP. RIH w/ 2-7/8" tbg. Start POOH & LD tbg.	
45	10.06.10	POOH w/ 900 ft. tbg. PU & RIH w/ RBP. Set RBP @ 900. Circ well w/ PKR fluid. POOH & LD tbg. ND BOP & RD.	551,310

ConocoPhillips

Schematic - Current

MCA 060

Most Recent Job

Job Category	Primary Job Type	Secondary Job Type	Actual Start Date	End Date
WELL INTERVENTION	REPAIR DOWNHOLE		8/4/2010	

Well Config: VERTICAL - Main Hole, 11/23/2010 4:02:29 PM

ftKB (MD)	Schematic - Actual
-6	
3	
11	
16	
38	
576	
645	
722	
740	Perforated, 740-742, 5/19/1977
742	
757	1-1, Surface Casing, 8 5/8, 8.000, 11, 746.0
760	
900	
904	
2,000	
2,145	
2,155	
2,250	
2,285	
2,417	
2,420	
2,731	
3,288	
3,338	
3,422	
3,438	
3,453	
3,454	
3,473	
3,476	
3,495	2-1, Production Casing, 7, 6.453, 11, 3,484.0
3,578	
3,610	
3,690	
3,712	Open Hole, 3,690-3,727, 4/17/1946
3,717	
3,725	
3,727	
3,868	
3,890	Open Hole, 3,868-3,890, 4/16/1946
3,917	Open Hole, 3,890-3,917, 4/16/1946
3,957	Open Hole, 3,917-3,957, 4/16/1946
3,968	
3,970	

Report Printed: 11/23/2010

ConocoPhillips Company
NMLC-029405-B: MCA Unit #60
API: 30-025-08035
Lea County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

1. Change: RIH open ended to 2731' or as deep as possible and spot 25sx. WOC and tag at 2600' or shallower. (Fish – Open Hole)
2. Plugs in 7" casing:
    a. Minimum 25sx – Otherwise OK (Spacer – TOC)
    b. Change: Perf and attempt to squeeze plug from 1900'-1700'. WOC and tag at 1700' or shallower. If injection rate cannot be established, spot cement 50' below perfs (BOS – Yates)
    c. Change: Perf and attempt to squeeze plug from 900'-700'. WOC and tag at 700' or shallower. If injection rate cannot be established, spot cement 50' below perfs (TOS – Casing shoe)
    d. Change: Perf and squeeze from 100' to surface. (Surface)
3. Verify that all annuluses have cement to surface and fill in as required. Ground Level Dry Hole Marker shall be used at this location; Requirements attached.
4. Submit a subsequent report to the BLM.

H_2S monitoring equipment to be on location.

See attached standard COAs.

DHW 121410

Requirements for ground level dry hole markers
Well Identification Markers
Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.

2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum ¼ inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.

3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.

4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.

    a. First row: Operators name
    b. Second row: Well name and number
    c. Third row: Legal location to include ¼ ¼, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the ¼ ¼ (example: 1980 FNL 1980 FWL) being on the top row.
    d. Fourth row: Lease Number and API number.
        i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a ground level dry hole marker was installed as required in the COA's from the BLM.

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

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 90th day provide this office, prior to the 90th 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.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.**

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. 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 **brine** 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 specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Any plug that requires a tag will have a minimum WOC time of 4 hours.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

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 BLM is to be notified when the wellhead is cut off to verify that cement is to surface in the casing and all annuluses.** 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, name of the operator, lease serial number, surveyed location (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 will be required. See attached reclamation procedure.

DHW 112309

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
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Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.

2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.

3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.

4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.

6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.

7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Terry Gregston
Environmental Protection Specialist
575-234-5958

Bobby Ballard
Environmental Protection Specialist
575-234-2230

Randy Rust
Natural Resource Specialist
575-234-5943

Linda Denniston
Environmental Protection Specialist
575-234-5974

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

Justin Frye
Environmental Protection Specialist
575-234-5922

Cody Layton
Natural Resource Specialist
575-234-5959

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Todd Suter
Surface Protection Specialist
575-234-5987

Doug Hoag
Civil Engineering Technician
575-234-5979

Tanner Nygren
Natural Resource Specialist
575-234-5975

John Fast
Natural Resource Specialist
575-2345996