

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS
RECEIVED

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 SWD

2. Name of Operator Agua Sucia, LLC

3a. Address
14605 Memorial Dr, Bixby, OK 76543

3b. Phone No. (include area code)
918-366-7957

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

25 19S 34E 6 LD S 1800 W

5. Lease Serial No.
NM-09243 SWD ROW

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Government 'E' Well No.1

9. API Well No.
30-025-23708

10. Field and Pool, or Exploratory Area
SWD; Bone Spring

11. County or Parish, State
Lea County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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 checked="" type="checkbox"/> Other Commence Injection
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	& run injection
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	profile

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 recompleat 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 recompleat 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.)

WELL HAS BEEN SHUT IN FOR 2 YEARS WHILE REINSTATEMENT OF INJECTION AUTHORITY WAS SOUGHT FROM OCD.

Per OCD Commission Order R-13265-D, issued 12/9/10, Agua Sucia will restart injection on this well. The order reinstates the original SWD-559 order which allows for a maximum injection pressure of 1943 psi.

Injection will resume immediately after installation of a new connection line from the high pressure pump to the well head.

Within 10 days of commencing injection operations, Agua Sucia will run a radioactive tracer combined with temperature survey to verify injection into zone.

BLM and OCD will be notified of the date and time of the survey.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Ben Stone (903) 488-9850

Title Consultant for Agua Sucia, LLC

Signature

Date December 14, 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

LPET

Date

2/18/11

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

CFO

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)

COH

CONDITIONS OF APPROVAL
Government 'E' Well #1
Agua Sucia, LLC
Sec.25. SESW, T19S R34E
NM086

Maintain the annulus full of packer fluid and be able to verify that fluid level at any time. Report any significant loss of packer fluid (5bbl) within a one month period.

Provide fluid containment and automation controls that will shut off the well's disposal injection should the tubing/casing annulus began flow into that containment. Provide downhole (near the packer) equipment that can be used to prevent backflow from the disposal reservoir .

Automation controls are required to limit the wellhead tubing pressure at or below the maximum set by NMOCD.

Annually perform and supply BLM with logs of the well's injection profile.

Compare "safe service life" of the tubing to "time in the well", and follow up with "in time" tubing inspection, reconditioning, and replacement as proactive maintenance. A "safe service life" of 10 years between inspections may be reasonable. Some tubing evaluation tools are described at <http://www.memorylog.com/> and <http://www.tuboscopevetco-egy.com/>.