Form 3160-5 '-(August 2007)

New Mexico Oil Conservation Division, District I

UNITED 35 AUBrench Drive

DEPARTMENT OF CHEST IN THE BEZALD BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010

5. Lease Serial No. NMM83197

6. If Indian, Allottee or Tribe Name

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 of	n page 2. 7. If Unit of CA/Agreement, Name and/or No.
1. Type of Well	
✓ Oil Well Gas Well Other	8. Well Name and No. Federal 23 #10
2. Name of Operator Ridgeway Arizona Oil Corporation	9. API Well No. 30-041-10536
	(include area code) 10. Field and Pool or Exploratory Area
200 N. Loraine, Suite '440, Midland TX> 79701 432.687.030	Chaveroo-San Andres
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)	11. Country or Parish, State
G-23-07S-33E 1980 FNL 1980 FEL	Roosevelt Co. NM
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION
▼ Notice of Intent	pen Production (Start/Resume) Water Shut-Off
Alter Casing Frac	ture Treat Reclamation Well Integrity
Casing Repair Nev	Construction Recomplete Other
Subsequent Report Change Plans Plug	and Abandon Temporarily Abandon
Final Abandonment Notice Convert to Injection Plus	Back Water Disposal
determined that the site is ready for final inspection.) Perform Material Integrity Test Perforations - 4138-4206 1jspf T/A in 9/26/89. CIBP's @ 4063. Plan to test casing on Wednesday, January 5th, 2011 Ridgeway will call RFO rep. Kevin Bussell 48 hrs. prior to test. (Monday, January 3rd, 2011) ACCEPTED APPROVED FOR 30 DAY ASSOCIATION ACCEPTED APPROVED FOR 30 DAY ASSOCIATION ACCEPTED A	
14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)	
Andy Chalker	Title Operations Manager
Signature Body Challe	Date 12/17/2010 ERAL OR STATE OFFICE USE
ACCEPTED FOR RECORTHIS SPACE FOR FED	ERAL OR STATE OFFICE USE
Approved S. DAN Date MAR 0 7 2011 Conditions of approval Filany 2 and at 2011 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 3 7 7 201/ Title 18 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	
fictitions or fraidfull-hit statements of representations as to any matter within its jurisdiction. (Instructions on page 2)	
(Instructions on page 2)	ATTACHED FOR

CONDITIONS OF APPROVAL

BUREAU OF LAND MANAGEMENT

Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201 575-627-0272

Temporary Abandonment of Wells on Federal Lands Conditions of Approval

A temporary abandoned well is defined as a completion that is not capable of production in paying quantities but 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 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 BLM Roswell Field Office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Chaves and Roosevelt County, call (575) 627-0205 or after office hours call (575) 420-2832.

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status up to 12 months.

- 1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
- 2. Attaches a clear copy of the original pressure test chart.
- 3. Provided 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.
- 4. Describes the temporary abandonment procedure.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test and the test was witnesses by a BLM representative.

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.

Ref: IM: NM-95-022 (12/16/1994)