

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS
RECEIVED
MAR 07 2011

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

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.

5. Lease Serial No.
LC-052956

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other **WIW**

2. Name of Operator

Ranger 40 Petroleum LLC

3a. Address

1004 Collier Center Way Ste 206 Naples FL 34110

3b. Phone No. (include area code)

239-254-0004

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

8. Well Name and No.
Langlie Jal Unit 39

9. API Well No. 30-025-11442

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

Unit Letter D 330 FNL & 990 FWL Sec 4 T25S R37E

10. Field and Pool or Exploratory Area
Langlie Mattix **7 Rws - Q - Grayburg**

11. Country or Parish, State
Lea NM

12. CHECK THE 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 clean out & repair
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	tbq; perform MIT &
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	return to injection

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

11-22-2010 Failed scheduled 5 yr NMOCD MIT

Well was an active injector prior to failure. It is proposed to perform remedial work to repair and return to injection. The well will be cleaned out to TD (perforations/OH 3447-3640 - tagged top of fill @ 3493 March 2009), acidized with 500-1000 gals and swabbed back to clean up and recover load. Run packer and injection tubing, circulate packer fluid. Load annulus. Notify Hobbs OCD, perform MIT. Return to injection following successful test.

If work is unsuccessful, subsequent application to plug and abandon will be filed.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED

MAR 3 2011
/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Stan Venable

Title operations engineer

Signature

Date

02-14-11

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 these rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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

Ranger 40 Petroleum LLC

Langlie Jal Unit #39

March 3, 2011

1. Conduct a Mechanical Integrity Test of the tubing/casing annulus any time the packer or tubing is pulled. (The MIT test was completed on 2/24/2011 and witness by Paul Swartz BLM/CFO)
 - a. The test pressure should be 500 psig or at least 200 psig above the tubing (at test time) pressure but no more than 70% of burst of casing test pressure as described by Onshore Order 2.III.B.1.h. (The reservoir pressure may need to be reduced). Trap that pressure and record it on a chart for 30 minutes.
 - b. Less than a 10% leakoff may not restrict injection approval. Any leak-off will be evaluated. Document the MIT on a calibrated recorder chart within 25 to 85 per cent of its full range. Notify Paul R. Swartz at 575-234-5985 and/or 575-200-7902 at least 24 hours before the test. If there is no response, notify the BLM on call drilling phone, 575-361-2822.
 - c. Submit the recorded MIT chart with a subsequent Sundry Form 3160-5 relating the MIT activity. **Include the original and three copies of the recorded chart and Sundry.** (the original will be returned to the operator)
2. Submit documentation, (NMOCD permit number) of the maximum tubing injection pressure allowed by NMOCD.
 - a. Approved injection pressure compliance is required.
 - b. Display real time tubing pressure values onsite. A bourdon tube gauge registering 25% to 85% of its full range is acceptable.
 - c. If injection pressure exceeds the maximum approved pressure you will be required to notify the BLM within 24 hours.
 - d. When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum.
 - i. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment.
 - e. Other unexplained significant variations of rate or pressure will be reported within 5 days of notice.

3. The casing/tubing annulus will be required to be monitored for communication with injection fluid or loss of casing integrity.
 - a. **The use of automation equipment that will monitor and alarm is required because the packer, tubing, or casing competence is questionable (MIT test performed 2/24/11 lost 30 psig in 30 minutes)**
 - b. The annulus shall be maintained full of packer fluid at atmosphere pressure.
 - i. Verification of fluid level to a BLM inspector at any time is required.
 - c. Any loss of packer fluid above (5bbl/mth) requires notification to the BLM authorized officer.
 - d. Any gain of annular fluid requires notification to the BLM authorized officer within 5 days.
 - e. Should a failure be detected, cease injection and maintain a production casing pressure of Opsig. Notify the BLMs authorized officer (Paul R. Swartz at 575-200-7902) within 24 hours. If there is no response, notify the BLM on call drilling phone, 575-361-2822.
 - f. Also submit to this office a (Sundry Form 3160-5) Notice of Intent (NOI) for approval by BLM and NMOCD a plan for correction and the anticipated date of correction.
 - g. After the repairs submit a (Sundry Form 3160-5) Subsequent report, describing the repair(s) and Mechanical Integrity Test as per item 1 above.
 - i. Include the date(s) of the well work, descriptions of tubing, on/off equipment, profile nipple installation, and packer setting depth.