

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.1. Type of Well
☐ Oil Well ☐ ☒ Gas Well ☐ Other2. Name of Operator
Element Petroleum Operating, LLC3a. Address
110 W. Louisiana Avenue, Ste 405, Midland, TX 797013b. Phone No. (include area code)
432-686-77074. Location of Well (Footage, Sec., T., R., M., or Survey Description)
K Sec 30-T9S-R38E 1980' FSL & 1980' FWL5. Lease Serial No.
LC63659

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
BYERS 59 #29. API Well No.
30-025-2363710. Field and Pool, or Exploratory Area
Sawyer11. County or Parish, State
Lea

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 checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 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.)

PROPOSED P&A PROCEDURES:

Plug 1: RIH with CIBP on tubing, set at 4818' (90' above top perforation); set BP and tag with tubing to make sure plug is in place; Spot 25 sx cement on top of plug, displace with 9.5 ppg cut brine.

* **Plug 2:** Perforate 4spf @ 2260' (100 ft above top of salt). Squeeze 12.5 sx of cement away while leaving 25 sx inside pipe: Allow cement to harden and tag cement ensuring that the plug is set to a depth of at least 2135'. Displace with 9.5 ppg cut brine.

* **Plug 3:** Perforate 4 spf @ 500'. Squeeze 12.5 sx of cement away while leaving 25 sx inside pipe: Allow cement to harden and tag cement ensuring that the plug is set to a depth of at least 400'. Displace with 9.5 ppg cut brine.

Plug 4: Perforate 4 spf @ 100'. Squeeze cement, circulate to surface inside the 4.5" and 4.5"x8.625" annulus.

Set dry hole marker, cut off well anchors and clean location.

* SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECLAMATION PROCEDURE
ATTACHED

RECEIVED
MAR 10 2011
HOBBSOCD

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

Connie Swan

Title Regulatory Administrator

Signature

Date

05/02/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title SEAS

Date

3-6-11

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

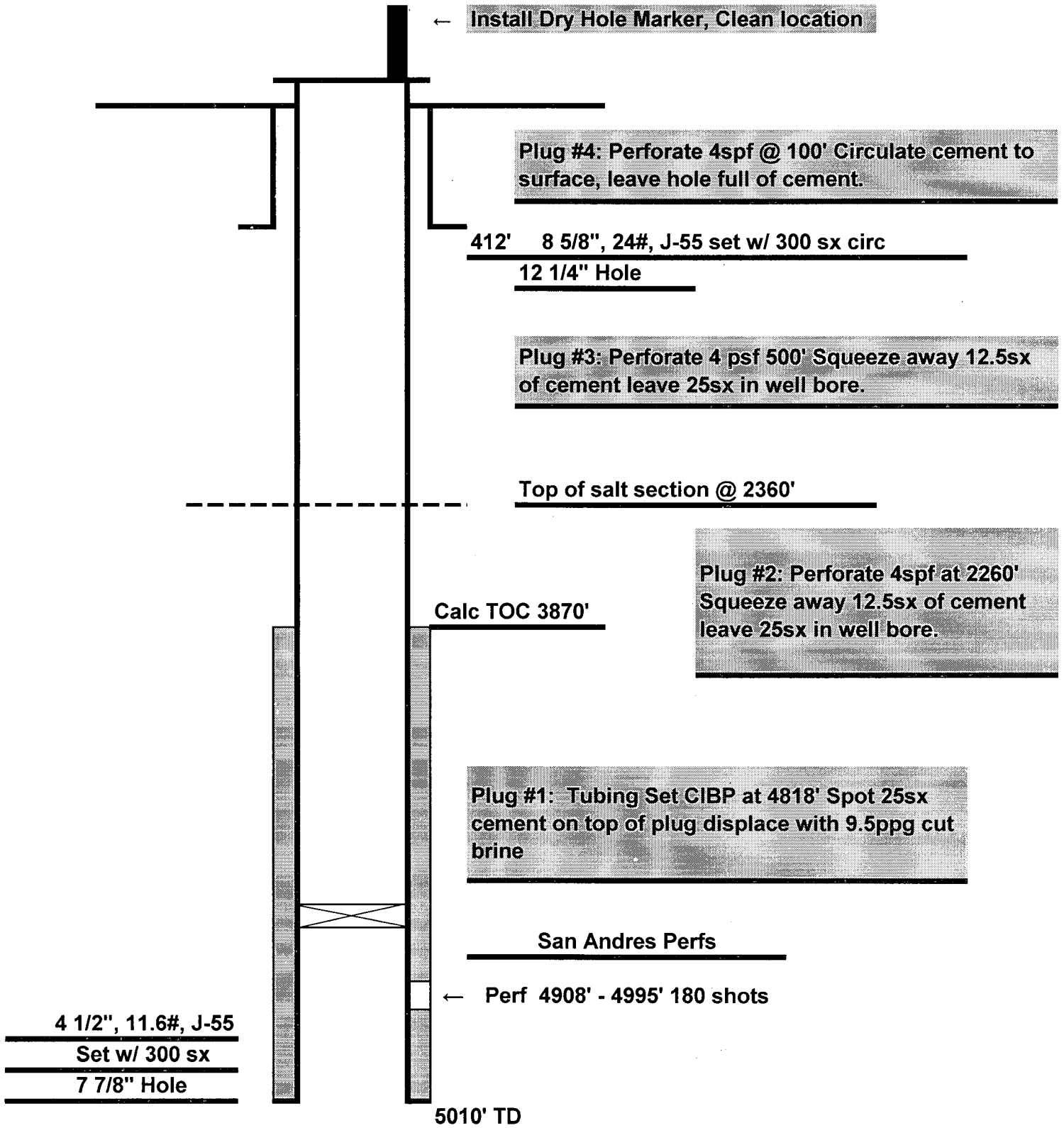
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

WELL - BORE DIAGRAM

Proposed Plugging Procedures

Byers 59 #2



Element Petroleum Operating, LLC
LC0663659; BYERS 59 #2
1980' FSL & 1980' FWL, Sec. 30, T09S-R38E
Lea County, New Mexico

RE: Plugging and Abandonment Requirements, Condition of Approval

1. OK
2. Change. Perforate @ 2977' (Base of Salt), squeeze with adequate cmt to fill 120' in/out of 4-1/2" csg. If unable to pump into perms, spot a balanced plug from 3027'-2907' (25 sx minimum). WOC and tag no lower than 2907'.
- 2.a. Add. Perforate @ 2478' (Top of Salt), squeeze with adequate cmt to fill 120' in/out of 4-1/2" csg. If unable to pump into perms, spot a balanced plug from 2528'-2408' (25 sx minimum). WOC and tag no lower than 2408'.
3. Change. Perforate @ 462' (8-5/8" csg shoe), squeeze with adequate cmt to fill 100' (50' in/out of shoe. If unable to pump into perms, spot a balanced plug from 502'-362' (25 sx minimum). WOC and tag no lower than 362.
4. OK

If you have any questions, please contact James A. Amos @ 575-234-5909.

See attached Permanent Abandonment of Federal Wells and COAs.
See attached Requirements for ground level dry hole markers
See attached Reclamation Objectives and Procedures

3/6/11

HOLE SIZE 12 1/4"

300 SX
Circ.

CASING SIZE 8 5/8"

TD 412'

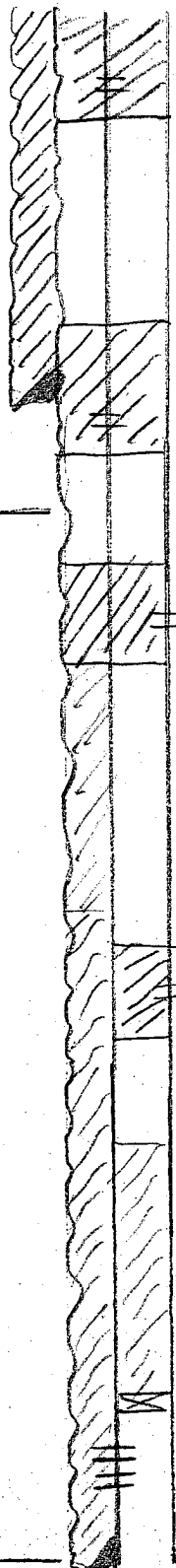
HOLE SIZE 7 7/8"

C TOC 2360'

300 SX

CASING SIZE 4 1/2"

TD 5010'



SALT SECTIONS TOP 2428

BASE 2926

Perf @ 100' circ. in/out RHP
to surface,

CAVE/KARST N/A

SPEC WATER N/A

Perf @ 462' Squeeze Cmt to
fill 100' (50 in/out) csq. no
less than 25 sx. (shore)

FORMATIONS Rustler 2314

Perf @
2478

Top Salt 2428

Squeeze Cmt to
fill 120' in/out
no less than 25 sx.
(TOS)

Yates 2927

SA 4206

Perf @ 2977
Squeeze Cmt to fill
120' in/out, no less than 25 sx.
(BOS)

C TOC @ 4440'

CIBA @ 4818 Cap w/ 25 sx cmt (378'
33. cu/ft)

DVT

PERFORATIONS 4921-4974

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 1/4 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 1/4 1/4, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the 1/4 1/4 (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.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

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)

Cody Layton
Natural Resource Specialist
575-234-5959

Terry Gregston
Environmental Protection Specialist
575-234-5958

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Bobby Ballard
Environmental Protection Specialist
575-234-2230

Todd Suter
Surface Protection Specialist
575-234-5987

Randy Rust
Environmental Protection Specialist
575-234-5943

Doug Hoag
Civil Engineering Technician
575-234-5979

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