N.M. OIL CONS. CO MISSION P.O. BOX 1980 HOBBS, NEW MEXICO 88240

Form 3160-5 UNITED STATES FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993 (June 1990) DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT** 5. Lease Designation and Serial No. NMEC0349793 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well Oil Gas Well Other 8. Well Name and No. SOUTH PEARL 2. Name of Operator QUEEN UNIT #8 XERIC OIL & GAS COMPANY 9. API Well No. 3. Address and Telephone No. 300250331700 P.O. BOX 51311, MIDLAND, TX 79710 915/683-3171 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) PEARL OUEEN NWSW SECTION 3, T-20-S, R-35-E11. County or Parish, State 1980 FSL & 660 FWL LEA COUNTY, NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Change of Plans Recognition New Construction Plugging Back Non-Routine Fracturing Water Shut-Off Conversion to Injection Other RETURN TO POW Dispose Water (Note: Report results of multi-13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled. Action or Recompletion Report and Log forms.) give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)* BUDGET PLANS ARE TO RETURN THIS WELL TO A PRODUCING OIL WELL BY 12/1/95. XERIC PLANS TO RE-ENTER THIS WELL AND TEST THE QUEEN FORMATION INTERNAL BETWEEN 4840'-4850'. 14. I hereby certify that the forego True PRESIDENT (This space for Federal or State office use) Approved by (ORIG. SGD.)
Conditions of approval, if any: JOE G. LARA THE PETROLEUM ENGINEER attached. Test to be performed

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OFFICE

BUREAU OF LAND MANAGEMENT CARLSBAD RESOURCE AREA

Temporary Abandonment of Wells on Federal Lands

Conditions of Approval

According 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. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County call (505) 887-6544; for wells in Lea County call (505) 393-3612.
- 2. A bridge plug or packer shall be set at a maximum of 50 feet above any open perforations or open hole.
- 3. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
- 4. The production casing shall 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 leak-off.

Wells that successfully pass the casing integrity test will be approved for Temporary Abandonment (TA) status for 12 months provided that the operator:

- 1. Submits a subsequent Sundry Notice requesting TA approval,
- Attaches a clear copy or the original of the pressure test chart,
- 3. And attaches a detailed justification why the well should not be plugged and abandoned.

The TA status could be extended without another casing integrity test provided there was no leak-off during the test.

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:

- A procedure to repair the casing so that a TA approval can be granted.
- 2. A procedure to plug and abandon the well.