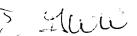
N.M. Oil Cons. Division

orm 3160-5 December 1989)	UNITED : DEPARTMENT OF BUREAU OF LANI	THE INTERIOR	1625 N. Fre Hobbs, NM	88240 Ex	form APPROVEDA fget Bureau Hn. 1004-0135 pites; September 30, 1990 Designation and Serial No.	
Do not use this fo	SUNDRY NOTICES AND rm for proposals to drill or se "APPLICATION FOR PE	to deepen or reentry t	o a dillerent res		O3O557 (A) an, Atlonee or Tribe Name	
	SUBMIT IN			7, 11 Unit	I III CA, Agreement Designation	
1. Type of Well					9. Well Name and No. Farney A-17 # 3 9 API Well Nn. 30-025-10783 10. Field and Pool, or Exploratory Area JALMAT TANSILL YATES 11. Crumy or Parish, State LEA, N.M.	
12. CHECK	APPROPRIATE BOX(8) T	O INDICATE NATUR	E OF NOTICE,	REPORT, OR	OTHER DATA	
	TYPE OF SUBMISSION TYPE OF ACTION					
	of Encent cent Report handcoment Notice	Ahandonment Recumplethin Plugging Bec Casing Repel Altering Catl	k r ing (N-ste: Rep	Net results of multiple c	nange of Plans w Construction m-Routine Fracturing ster Shat-Off soversion to Injection margitation on Well Completion or n.)	
CIBP Circul Set 10 Set 10 Set 38 Cut of Remove	presently set at 350 late the hole with sa 00 ft. cement plug from the p	oo' alt gel and brine com 1500' - 1400' com 400' - 300' all dry hole mark junk and rip up t	er he location		20 D 20 CO	
Signed 2)7 6	e foregoing is true and correct	_ THE Produc	t. 5	<u>yt</u> .	Dete 9-25-00	
(This space for Federa Appeared by Conditions of appeared	i or Since office use) I any: July attacks. E	Title			Tate	

Title 18-13-5.C. Section 1801, makes 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 states or representations as to any matter within its jurisdiction.



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BUREAU OF LAND MANAGEMENT Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201 505-627-0272

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

- 1. Plugging operations shall commence within thirty (30) days from the approval date of this Notice of Intent to Abandon.
- 2. <u>Notification</u>: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 505-627-0272, Eddy County call 505-234-5972; for wells in Lea County call 505-393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.
- 5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C", for up to 7,500 feet of depth, mixed at 14.8 lbs./gal. with 6.3 gallons of fresh water per sack or class "H", for deeper than 7,500 feet plugs, mixed at 16.4 lbs./gal. with 4.3 gallons of fresh water per sack.

- 6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).
- 7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**
- 8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.

(rev. 5/30/2000)

V.M. Oil Cope, N. Lion P.C. 5 to 1980

Form 3160-5

UNITED STATES

PORM APPROVED Boliss, VM . . 241

Departmen Bureau of I	Expires: September 30, 1990 5. Lesse Designation and Serial No. NMLC 030557A 6. N Indian, Allottes or Tribe Home	
SUNDRY NOTICES Do not use this form for proposals to dr Use "APPLICATION FO		
SUBMIT	7. If Unit or CA, Agreement Designation	
1. Type of Well OH Well Well Well Well Well Well Chiber Temporar Lanexco, Inc. 1. Address and Telephone No. 1105 West Kansas Jal, NM 4. Location of Well (Footage, Sec., T., R., M., or Survey D SWNW S-17, T-23 S R-	I. Well Name and No. Farney "A"-17 #3 O API Well No. 30-025-10783 IO. Field and Pool, or Exploratory Area Jalmat Tansill Yates II. County or Parish, State Lea, NM	
11. CHECK APPROPRIATE BOX	(e) TO INDICATE NATURE OF NOTICE, REP	
Subsequent Report I tinal Abandonment Notice	Abundrament Recompletion Plugging Back Casing Repoir Altering Cooling Other (Note Report resurrent details, and give pertinent dates, including extensived date of at	Change of Plans New Construction Non-Remine Fracturing Water Shat-Off Conversion to injection that of multiple completion on Wall Completion or out and Log form.)

Well was tested 6-13-97. Lanexco, Inc. request approval to pressure test the casing for 30 minutes. This lease has 1 producer which only makes 2 Bbls oil per day. At the current price it will just barely pay the electric bill and pumper. We are trying to maintain the current producer, but if we have to do a workover it would be cheaper to plug both wells and lose the lease, which we do not want to do. If we can continue to keep this well TA'D, when prices come back up we could work this well over and make arother producer.

> TA APPROVED FOR _____ ROUTH PERIOR ENDING JUN 1 3 2000

	Prod. Supt.	Date 3-12-99
(This space for Federal or State office use) Approved by (ORIG SGD.) DAVID R. GLASSide Conditions of approvid. If any:		Date APR 0 1 1999

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