

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N.M. DIST. CONS. COM. MISSION
P.O. BOX 1980
HOBBS, NEW MEXICO 88240

Budget Bureau No. 1004-0135
Expires August 31, 1985
5. LEASE DESIGNATION AND SERIAL NO.

IC-032573(b)

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		OCT 21 11 47 AM '94		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Zia Energy Inc.		CARL AREA		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 2219, Hobbs, NM 88241				8. FARM OR LEASE NAME Elliott "B"	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1980' from South line and 1780' from East				9. WELL NO. 7	
14. PERMIT NO.		15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3443' GR		10. FIELD AND POOL, OR WILDCAT Eunice San Andres Southwest	
				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 6 - T22S - R37E	
				12. COUNTY OR PARISH Lea	
				13. STATE NM	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐
FRACTURE TREAT ☐
SHOOT OR ACIDIZE ☐
REPAIR WELL ☐
(Other) Temporarily Abandon

FULL OR ALTER CASING ☐
MULTIPLE COMPLETION ☐
ABANDON* ☐
CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐
FRACTURE TREATMENT ☐
SHOOTING OR ACIDIZING ☐
(Other) ☐
REPAIRING WELL ☐
ALTERING CASING ☐
ABANDONMENT* ☐

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Approval is requested to temporarily abandon this well pending evaluation of production results from nearby wells, some are completed in the Eunice (Yates Seven Rivers, Queen) and others are completed in the Blinberry, Tubbs, or Drinkard. Several wells within 1 mile radius of this well have recently been recompleted in the above formations. Results of these recompletions are being studied and it is anticipated that within 12 months a decision will be made concerning which of the formations will be best to attempt.

It is proposed to set a cement retainer at 3875' using 2 7/8" tubing. Rig up Halliburton to pump 75 sacks of class "c" neat cement followed by 75 sacks of class "c" with 1/4 lb. of floccle per sack followed by 100 sacks of class "c" neat cement, followed by water to flush cement. The flush will be pumped in short stages in order to allow for cement to build a block in San Andres perforations from 3920' to 3979'. A squeeze pressure of 1000 psi should be obtained. After reaching 1000 psi, the tubing will be pulled out of the cement retainer leaving 30' of cement on top of retainer. The remaining cement will be reversed out of the tubing. Tubing will be pulled out of the well. The well will then be set up to perform a casing integrity test and temporarily abandon.

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

SIGNED Jarvis Nelson

TITLE Engineer

DATE 10/19/94

(This space for Federal or State office use)

APPROVED BY Orig. Signed by Adam Salameh

TITLE Petroleum Engineer

DATE 11/3/94

CONDITIONS OF APPROVAL, IF ANY:

- SEE ATTACHED -

*See Instructions on Reverse Side

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,
2. 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:

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