N.M. OIL CONS. COMMISSION VX 1980 P.O. HOBBS, NEW MEXICO 88240

3/30/94

Form 3160-5

(This space for Federal or State office use)

Approved by Conditions of approval, if any

Cing. Signed by Shannon J. Shaw

UNITED STATES

Budget Bureau No. 1004-0135 June (990) DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. NM-0141096 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 i. Type of Well □ Oil Well 8. Well Name and No. Las Cruces Federal No. 2. Name of Operator 9. API Well No. Chance Properties 3. Address and Telephone No. 30-025-10741 10. Field and Pool, or Exploratory Area c/o Oil Reports & Gas Services, Inc., RO Box 755, Hobbs, NM 88241-0755 (505)393-2727 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Langlie Mattix 11. County or Parish, State 330' FSL & 1650' FWL of Section 15, T23S, R37E Lea County, NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Notice of Intent Change of Plans Abandonment Recompletion **New Construction** Subsequent Report Non-Routine Fracturing Plugging Back Water Shut-Off Casing Repair Conversion to Injection Final Abandonment Notice Altering Casing T & Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log torm 13. Describe Proposed or Completed Operations (Clearly state all pertinent de ...is. and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, Request permission to perform required testing procedures in order to T&A pending sale. .4. I hereby certify that the foregoing is true and correct Laren Holler, Agent

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, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

PETROLEUM ENGINEER

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) 234-5272; for wells in Lea County call (505) 393-3612.
- 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 considered for Temporary Abandonment (TA) approval for 12 months provided the operator:

- Submits a subsequent Sundry Notice requesting TA approval,
- 2. Attaches a clear copy or the original 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 and the test was witnessed by a BLM representative.

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.