

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: September 30, 1990

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other TA'd	5. Lease Designation and Serial No. NM 40658
2. Name of Operator Lanexco, Inc.	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P.O. Box 1206 Jal, NM 88252	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650' FSL & 1980' FWL S18, T24S, R37E 28	8. Well Name and No. Buckskin Federal #3
	9. API Well No. 30-025-270250051
	10. Field and Pool, or Exploratory Area Dollarhide Tubb Drink
	11. County or Parish, State Lea County, NM

12. CHECK APPROPRIATE BOX(s) 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"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection

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

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, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

This well was completed as a Dollarhide Tubb Drinkard producer. It however, produced such a small amount that it was uneconomical. It was then decided to convert it to a disposal well. This however, was never done. This will still be possible in the future to convert to a disposal, if the other disposal well, the Buckskin Federal #2 ever fails.

Lanexco, Inc. does request this be allowed to continue as temporarily abandoned status. The casing will be tested to 500 PSI upon BLM approval.

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

Signed Mike Cepeloff Title Production Superintendent Date 3-18-94

(This space for Federal or State office use)

Approved by (ORIG. SGD.) JOE G. LARA Title PETROLEUM ENGINEER Date 4/4/94

Conditions of approval, if any: test to be conducted within 90 days as per attached procedure.

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.

(Rev. 9-30-92)

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.
234 - 5222
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 explains why such a 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.