

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT ARTESIA DISTRICT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS 3 2015
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

5. Lease Serial No. NMNM0558959
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. OBS FEDERAL 3
9. API Well No. 30-015-20659
10. Field and Pool, or Exploratory WASHINGTON RANCH (MORROW)
11. County or Parish, and State EDDY COUNTY, NM

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: UNKNOWN OTH	2. Name of Operator EL PASO NATURAL GAS COMPANY Contact: ANTHONY P TRINKO E-Mail: anthony_trinko@kindermorgan.com
3a. Address 2 N. NEVADA AVENUE COLORADO SPRINGS, CO 80903	3b. Phone No. (include area code) Ph: 719-520-4557
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T26S R24E Mer 6PM SENE 1986FNL 660FEL	

12. CHECK APPROPRIATE BOX(ES) 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"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input checked="" type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

BLM Bond No. on File: 400JF2507

09/02/15: The OBS Federal #03 (Gas Storage Observation) well failed a NMOCD- witnessed Mechanical Integrity Test. Well was immediately shut in and will remain so until it is plugged and abandoned. NMOCD requires the well to be plugged and abandoned or repaired by 12/06/15 and to be re-tested before being returned to service.

Listed below is El Paso Natural Gas Company's proposed plans for plugging the well. The following documents are attached: Wellbore Diagrams (Current Wellbore and Proposed Plugged Wellbore).

Proposed plugs - all dependent on cement coverage behind pipe.

COPIES ATTACHED FOR APPROVAL
 ED 12/7/15
 Accepted for record
 NMOCD

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

Electronic Submission #321718 verified by the BLM Well Information System
For EL PASO NATURAL GAS COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by ED FERNANDEZ on 10/30/2015 ()

Name (Printed/Typed) ANTHONY P TRINKO	Title SR. RESERVOIR ENGINEER
Signature (Electronic Submission)	Date 10/27/2015

THIS SPACE FOR FEDERAL OR STATE OFFICIAL APPROVAL

Approved By _____	Title	APPROVED PETROLEUM ENGINEER DEC - 1 2015 Kenneth Rennick	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and fraudulently to make any statement or representation as to any matter within its jurisdiction.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

APB-P

Additional data for EC transaction #321718 that would not fit on the form

32. Additional remarks, continued .

- 1) Notify BLM 24 hours prior to commencement of work.
- 2) Rig up and install BOPs.
- 3) Release packer and pull tubing and packer out of hole. *See COA*
- 4) Set CIBP + 2 sacks of cement @ 6,825'.
- 5) Load hole with fluid and run a cement bond log from TD to surface. *See COA*
- 6) RIH w/2-7/8" tubing and spot a 20 sack cement plug from 5,500'-5,400'.
- 7) Pull up hole with tubing and spot a 15 sack cement plug from 1,700'-1,600'. *See COA*
- 8) Pull tubing out of hole.
- 9) Perforate squeeze holes @ 750' and at 50' in 5-1/2" casing.
- 10) Run tubing and retainer in and set retainer @ 700'. *See COA*
- 11) Pump 25 sacks of cement through retainer; leaving 3 sacks of cement on retainer.
- 12) Pull tubing out of hole.
- 13) Tie onto casing, pump top plug down casing through squeeze holes and up surface casing.
- 14) Set surface marker.

El Paso Natural Gas

LEASE: Washington Ranch OBS #3
FIELD: Washington Ranch *Proposed plugged wellbore*
COUNTY: Eddy
STATE: New Mexico
LOCATION: 4 26S 24E
API #: 30-015-20659-00
SPUD DATE: 05/17/1972
Rev. Date 10/27/2015 Lively

ELEVATION:

G.L.: 3764' KB: 3780'
 TD: 7109' GL PBDT: 6914' GL

ZONES	KB depth	GL Depth
Delaware:	503	487
Bone Spring:	3636	3620
3rd Bone Spring SS:	5395	5379
Pennsylvanian Shale:	5575	5559
Pennsylvanian LS:	5777	5761
Morrow LS:	6672	6656
Morrow Clastics:	6816	6800

Proposed plugs - all dependent on cement coverage behind pipe

Set 20 sacks of cement thru perforations at 50 feet in 5.5" casing.

Set 25 sacks of cement thru retainer set at 700', perforations at 750 feet, leaving 3 sacks on top of retainer

Set a cement plug with a base of 1700 to 1600' with 15 sacks of cement thru tubing

Set a cement plug with a base of 5500' to 5400' with 20 sacks of cement thru tubing

CIBP @ 6825' with 2 sacks of cement on top

Perfs 6874' - 6888' GL w/ 2 SPF

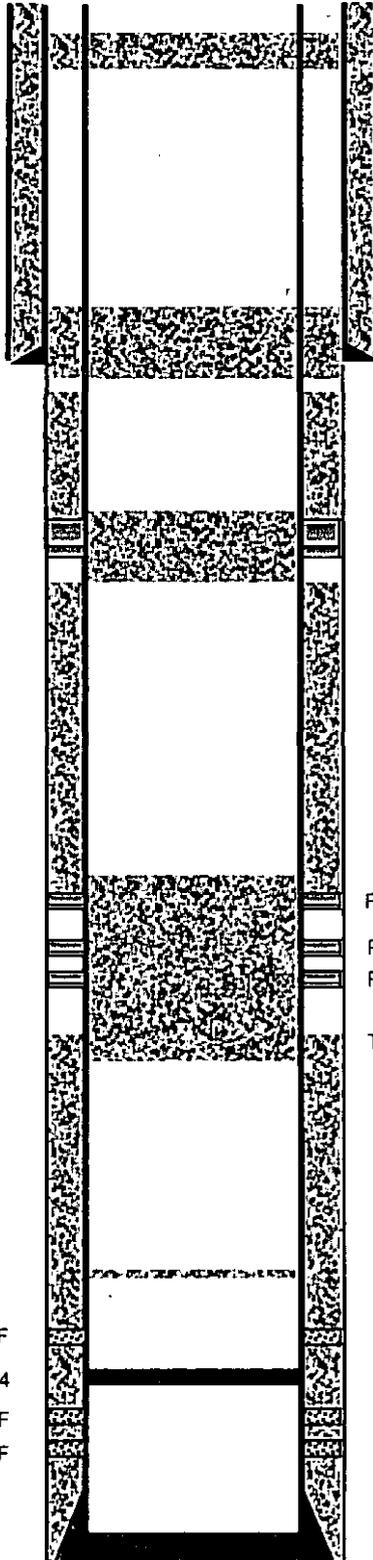
Baker LOK-SET RBP set @ 6914' GL on 6/25/74

Perfs 6937' - 6948' GL w/ 2 SPF

Perfs 7008' - 7023' GL w/ 2 SPF

PBDT @ 7063' GL

TD 7-7/8" hole @ 7109' GL



Cmt'd w/ 175 sxs Calcolite & 150 sxs Class C. Cmt Circ.

18 jts, 8-5/8", 24#, 8R csg set @ 709' GL

TD 11" Hole @ 709' GL

Spot 30 sxs Class C between 1276' & 1574' GL on 9/19/95

Sqz below 1361' GL w/ 100 sxs Class C on 9/16/95

Sqz w/ 100 sxs Class C on 9/14/95
Leak between 1644' & 1676' GL

Sqz w/ 600 sxs lite and 100 sxs Class C.

Perf 2 sqz holes @ 5424' GL

Perf 2 sqz holes @ 5494' GL, could not pump into
Perf 2 sqz holes @ 5524' GL, could not pump into

TOC @ 5580' GL, from CBL on 3/23/95

Cemented w/ 300 sxs Class C

4 jts, 5-1/2", 14#, K55, 8R, ST&C csg from 0 - 82', 2 jts, 5-1/2", 15.5#, K55, 8R, ST&C csg from 82' - 148', 157 jts, 5-1/2", 14#, K55, 8R, ST&C csg from 148' - 5176', 60 jts, 5-1/2", 15.5#, K55, 8R ST&C csg from 5176' - 7109' GL

El Paso Natural Gas

LEASE: Washington Ranch OBS #3
FIELD: Washington Ranch
COUNTY: Eddy
STATE: New Mexico
LOCATION: 4 26S 24E
API #: 30-015-20659-00
SPUD DATE: 05/17/1972
Rev. Date 01/11/2006 - GHJ

Current wellbore

ELEVATION:

G.L.: 3764' KB: 3780'

TD: 7109' GL PBD: 6914' GL

ZONES	KB depth	GL Depth
Delaware:	503	487
Bone Spring:	3636	3620
3rd Bone Spring SS:	5395	5379
Pennsylvanian Shale:	5575	5559
Pennsylvanian LS:	5777	5761
Morrow LS:	6672	6656
Morrow Clastics:	6816	6800

Tagged PBD @ 6885' GL on 9/16/13

215 jts, 2-7/8", 6.5# tbg ??

Model R pkr on 9/21/95 report, Model D pkr on 9/22/95 report. Set @ 6797' GL

Perfs 6874' - 6888' GL w/ 2 SPF

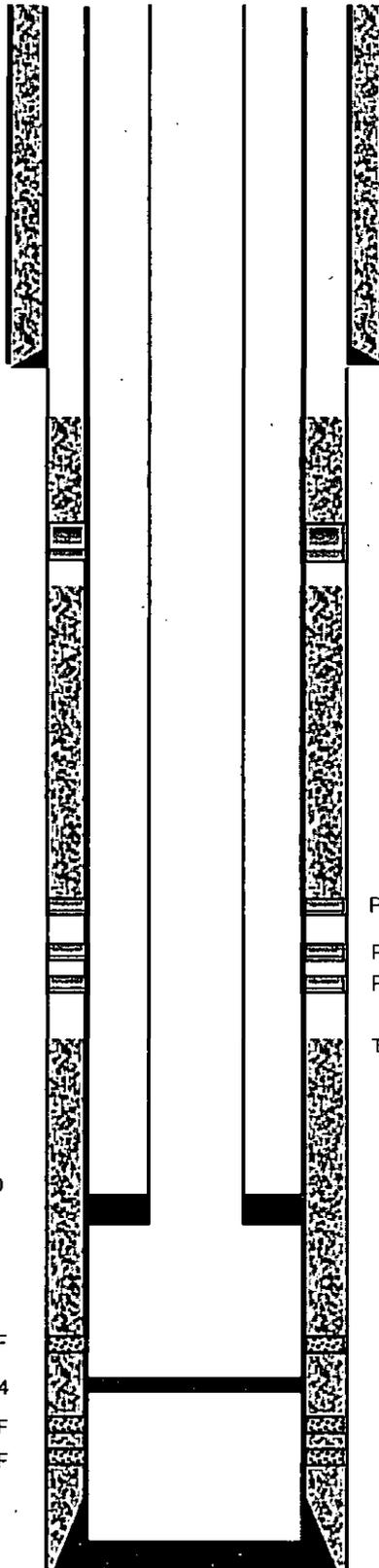
Baker LOK-SET RBP set @ 6914' GL on 6/25/74

Perfs 6937' - 6948' GL w/ 2 SPF

Perfs 7008' - 7023' GL w/ 2 SPF

PBD @ 7063' GL

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Sqz w/ 600 sxs lite and 100 sxs Class C.

Perf 2 sqz holes @ 5424' GL

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Cemented w/ 300 sxs Class C

4 jts, 5-1/2", 14#, K55, 8R, ST&C csg from 0 - 82', 2 jts, 5-1/2", 15.5#, K55, 8R, ST&C csg from 82' - 148', 157 jts, 5-1/2", 14#, K55, 8R, ST&C csg from 148' - 5176", 60 jts, 5-1/2", 15.5#, K55, 8R ST&C csg from 5176' - 7109' GL

OBS FEDERAL 3
30-015-20659
El Paso Natural Gas Company
Surface Location: Sec. 4, T. 26S, R. 24E
Conditions of Approval

Notify BLM at 575-361-2822 (Eddy County) a minimum of 24 hours prior to commencing work. Some procedures are to be witnessed, which for this case shall be the tagging of certain Cement Plugs. If there is no response, leave a voice mail with the API#, workover purpose and a call back phone number.

Work to be completed by within ninety (90) days from the approval date.

1. Operator is approved to set a Cast-Iron Bridge Plug (CIBP) at 6825 feet and set cement as a cap as outlined in **Step #4** of the notification. A tag at 6775 feet is required, which shall be witnessed by BLM.
2. As per **Step #5**, Operator shall submit an electronic copy of Cement Bond Log to the BLM. This can be done via email to krennick@blm.gov. Continue with procedure if assumed Top of Cement is indicated by the log. Contact the BLM if otherwise.
3. Operator shall set a Balance Plug to isolate the top of the Morrow formation. This plug shall have minimum length of 160 feet, covering the interval of 6300 to 6140 feet. Tag is required.
4. Operator shall set a Balance Plug to isolate the pressure associated with the Lower and the Upper Pennsylvanian, more specifically the Strawn formation. This plug shall have minimum length of 160 feet, covering the interval of 5935 to 5775 feet. Tag is required.
5. Operator is approved to set a Balance Plug for the interval of 5500 to 5400 feet as outlined in **Step #6**. Additional cement shall be required to ensure that the top of the Wolfcamp formation is properly isolated. Because of this, a tag at 5300 feet is required which shall be witnessed by BLM.
6. Operator shall set a Balance Plug to isolate the top of the Bone Spring formation. This plug shall have minimum length of 130 feet, covering the interval of 3640 to 3510 feet. Tag is required.

7. Operator is approved to set a Balance Plug from 1700 to 1600 feet to isolate casing leak as outlined in **Step #7**. Tag is required.
8. Operator shall then set a "Balance Plug" to cover the surface casing shoe at the interval of 759 to 659 feet. Please note no retainer is allowed as outlined in **Step #10**.
9. Operator is approved to tie onto casing, and then set top plug through the perforations at 400 feet and up the surface casing. This top plug is to cover any cave/ karst that may exist. As well as Operator is approved to set surface marker. Tag is required.
10. Surface disturbance beyond the originally approved pad must have prior approval.
11. Closed loop system required.
12. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
13. Operator to have H2S monitoring equipment on location.
14. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
15. **Subsequent sundry required detailing work done. Operator to include well bore schematic of current well condition when work is complete.**
16. **See attached for the general guidelines to permanently abandon Federal Wells and reclamation procedure.**

KGR 12012015

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**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 ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. Eddy County, call 575-361-2822; Lea County, call 575-393-3612.**

3. **Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. 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. **Mud Requirement: 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 **brine** 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 specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

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 BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (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 three 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 will be required. See attached reclamation procedure.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Interim Reclamation Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses.

Interim reclamation consists of minimizing the footprint of disturbance by reclaiming all portions of the well site not needed for production operations. The portions of the cleared well site not needed for operational and safety purposes are recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Sufficient level area remains for setup of a workover rig and to park equipment. Topsoil is respread over areas not needed for all-weather operations. Production facilities should be clustered to maximize the opportunity for interim reclamation. In order to inspect and operate the well or complete workover operations, it may be necessary to drive, park, and operate on restored, interim vegetation within the previously disturbed area. This is generally acceptable provided damage is repaired and reclaimed following use.

To reduce final reclamation costs; maintain healthy, biologically active topsoil; and to minimize habitat, visual, and forage loss during the life of the well, all salvaged topsoil should be spread over the area of interim reclamation, rather than stockpiled.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). Interim reclamation is to be completed within 6 months of well completion.
3. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with interim reclamation as per approved APD or Sundry Notice. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.
4. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
5. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Robertson, Jeffery
Natural Resource Specialist
575-361-2632

Linda Denniston
Environmental Protection Specialist
575-234-5974

Trishia Bad Bear
Natural Resource Specialist
575-393-3612