

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
ArtesiaFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM0115465A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
TOLES FEDERAL 1

2. Name of Operator

Contact: KELLY BARAJAS

READ & STEVENS INCORPORATED E-Mail: kbarajas@read-stevens.com

9. API Well No.
30-005-60782-00-S1

3a. Address

P.O. BOX 1518
ROSWELL, NM 88202

3b. Phone No. (include area code)

Ph: 575-622-3770

10. Field and Pool or Exploratory Area
DIAMOND MOUND-MORROW

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 34 T15S R27E SWSE 660FSL 1980FEL

11. County or Parish, State

CHAVES COUNTY, NM

12. CHECK THE 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"/> Hydraulic Fracturing	<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 must 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, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

1. CIBP has already been set above the Morrow Atoka formation at 8660' and 200' of cmt was dump/bailed on top of CIBP. TOC at 8460'.

2. Set 60' cmt plug below, across, and 100' above the Wolfcamp from 6139' - 6299'. WOC

3. Tag CIBP at 2880' (50' above top most perf/w/130' cmt on top. WOC.

4. Tag CIBP at 1780'. Dump/bail 100' of cmt on top of CIBP. TOC at 1680'. WOC. TIH w/ tag and tag to confirm TOC. This plug will cover across surface csg shoe and Premier Sand formation.

5. Plug from 1680' to surface. WOC.

6. Install dry hole marker and reclaim surface location.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Verbal approval given 4/28/17 see attached.

NM OIL CONSERVATION
ARTESIA DISTRICT
MAY 12 2017

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

Electronic Submission #374860 verified by the BLM Well Information System
For READ & STEVENS INCORPORATED, sent to the Roswell
Committed to AFMSS for processing by JENNIFER SANCHEZ on 05/03/2017 (17JS0100SE)

Name (Printed/Typed) KELLY BARAJAS

Title REPORT PREPARER

Signature (Electronic Submission)

Date 05/03/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Accepted for record

NMOCD

R.L.B.



Sanchez, Jennifer <j1sanchez@blm.gov>

Toles Federal 1 plugging- VERBAL APPROVAL

3 messages

Sanchez, Jennifer <j1sanchez@blm.gov>

Fri, Apr 28, 2017 at 9:55 AM

To: "Matthew B. Murphy" <conquestenergy@gmail.com>, Rory McMinn <rmcminn@readoperating.com>, Kelly Barajas <KBarajas@read-stevens.com>

Cc: David Glass <dglass@blm.gov>, Robert Hoskinson <rhoskins@blm.gov>, Oscar Torres <otorres@blm.gov>, "Bussell, Kevin" <kbussell@blm.gov>, Ruben Sanchez <rjsanche@blm.gov>

Hi All,

Read Operating met with David and I on a plugging out the Toles Federal 1. We are granting them **VERBAL APPROVAL** on the attached approval as they wish to start Monday and will not be able to submit the official sundry until Tuesday. Attached is the procedure they will be following. My only modification was adding 130' to the CIBP at 2,880' which I wrote in red. When the official sundry is submitted please send me an email so it can be processed.

**P&A Plan – Toles Federal #1 V2 EDITs.docx**

16K

Matt Murphy <conquestenergy@gmail.com>

Fri, Apr 28, 2017 at 10:27 AM

To: "Sanchez, Jennifer" <j1sanchez@blm.gov>

Cc: Rory McMinn <rmcminn@readoperating.com>

Jennifer,

It was great to meet you. We all appreciate all of your assistance and you working with us, on all of this...

I hope you have a great weekend.

Matt Murphy

[Quoted text hidden]

Sanchez, Jennifer <j1sanchez@blm.gov>

Fri, Apr 28, 2017 at 10:31 AM

To: Matt Murphy <conquestenergy@gmail.com>

you too!

[Quoted text hidden]

P&A Plan – Toles Federal #1

1. Note a CIBP has already been set above the Morrow – Atoka formation at 8,660' and 200' of cement was dump bailed on top of CIBP, bringing the TOC to +/- 8,460'.
2. The last approval showed that the Strawn/Penn was perf'd. Rory informed there is a CIBP 50-100' above the top most perf w/ 200' cement on top.
3. Plan to stage balanced cement plug approximately 60' below, across, and approximately 100' above the Wolfcamp formation (from 6,139' to 6,299').
4. Set and tag a CIBP at 2,880' (approximately 50' above top most perf). ← need to add 130' cement on top.
5. Set and tag a CIBP at 1,780'. Dump bail 100' of cement on top of CIBP. TOC at approximately 1,680'. WOC and TIH w/ tubing and tag in order to confirm TOC. This plug will cover across surface casing shoe and also across the Premier Sand.
6. Stage a plug from approximately 1,680' to surface.
7. Install dry hole marker and reclaim surface location.

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(575) 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 **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 the BLM Roswell Field Office (RFO), prior to the 90th day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action. Unless the well has been properly plugged, the rig shall not be removed from over the hole without prior approval.**

2. Notification: Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

3. Blowout Preventers: 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 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a 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 not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 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 the 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 the BLM Roswell Field Office. 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.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.