

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 2/5/2020

Well information:

30-045-34565 HUERFANO UNIT #306

CROSS TIMBERS ENERGY, LLC

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Location Change

☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)

☐ Other:

Conditions of Approval:

- Notify NMOCD 24 Hours prior to commencing activities
- In addition to the BLM approved plugs ensure coverage:

1224'-1150'	to cover the	Ojo Alamo top at 1150'
1400'-1290'	to cover the	Kirtland top at 1365'
1868'-1768'	to cover the	Fruitland top at 1818'
2100'-2000'	to cover the	PC top at 2042'
2950'-2850'	to cover the	Chacra/HB top at 2900'
3674'-3574'	to cover the	MV/Cliff House top at 3624'
4660'-4560'	to cover the	Mancos top at 4610'
5646'-5546'	to cover the	Gallup top at 5596'
6442'-6392'	to cover the	Graneros/Dakota top at 6458'

* The Below grade tank closure plan will need to be submitted on a C-144 pursuant to rule 19.15.17


NMOCD Approved by Signature

6/4/2020
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.
NMSF078518

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
HUERFANO UNIT 3069. API Well No.
30-045-34565-00-S110. Field and Pool or Exploratory Area
BASIN DAKOTA

11. County or Parish, State

SAN JUAN COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

CROSS TIMBERS ENERGY LLC

Contact: SAMANNTHA AVARELLO

E-Mail: savarello@mspartners.com

3a. Address

#36 ROAD 350
FLORA VISTA, NM 87415

3b. Phone No. (include area code)

Ph: 827-334-7747

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

Sec 4 T25N R9W NWSE 1980FSL 1955FEL
36.428394 N Lat, 107.792057 W Lon

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.

Cross Timbers Energy, LLC intends to P&A the Huerfano Unit 306. Procedure below

1. MIRU.
2. POOH w/ tubing.
3. Run a casing scraper to 6,380?
4. Set CIBP @ 6,380?
5. Spot 17 sx Class B Cement on top of plug. (est'd TOC @ 6,230). WOC. Tag TOC.
6. RU and run CBL.
7. Circulate hole with mud laden fluid.
8. Spot balanced cement plug from 5,401? ? 5,551? with 17 sx Class B cement. WOC. Tag TOC.
9. Spot balanced cement plug from 3,481? ? 3,631? with 17 sx Class B cement. WOC. Tag TOC.
10. Spot balanced cement plug from 2,800? ? 2,950? with 17 sx Class B cement. WOC. Tag TOC.

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

**Electronic Submission #502188 verified by the BLM Well Information System
For CROSS TIMBERS ENERGY LLC, sent to the Farmington
Committed to AFMSS for processing by ALBERTA WETHINGTON on 02/06/2020 (20AMW0164SE)**

Name (Printed/Typed) SAMANNTHA AVARELLO

Title REGULATORY TECHNICIAN

Signature (Electronic Submission)

Date 02/05/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By (BLM Approver Not Specified)

Title

Date 04/24/2020

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 Farmington

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 ****

AV

Additional data for EC transaction #502188 that would not fit on the form

32. Additional remarks, continued

11. Spot balanced cement plug from 1,950' ? 2,100' with 17 sx Class B cement. WOC. Tag TOC.
12. Spot balanced cement plug from 1,074' ? 1,574' with 57 sx Class B cement. WOC. Tag TOC.
13. Spot balanced cement plug from 420' to surface with 48 sx cement. Ensure cement at surface on all strings of casing.
14. Cut off wellhead below surface casing flange. Install P&A marker.

Attachments

BGT closure plan

Reclamation plan

Current/Proposed WBD

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Huerfano 306

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.

**GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON FIELD OFFICE**

1.0 The approved plugging plans may contain variances from the following minimum general requirements.

1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.

1.2 Requirements may be added to address specific well conditions.

2.0 Materials used must be accurately measured. (densometer/scales)

3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.

3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.

4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.

4.1 The cement shall be as specified in the approved plugging plan.

4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.3 Surface plugs may be no less than 50' in length.

4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.

4.6 A cement bond log or other accepted cement evaluation tool is required to be run if one had not been previously ran or cement did not circulate to surface during the original casing cementing job or subsequent cementing jobs.

5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.

- 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.
- 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.
- 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
- 5.4 If perforations are required below the surface casing shoe, a 30 minute minimum wait time will be required to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. Short or long term venting may be necessary to evacuate trapped gas. **If only a water flow occurs with no associated gas, shut well in and record the pressures. Contact the Engineer as it may be necessary to change the cement weight and additives.**

6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.

- 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
- 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.

7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H₂S.

8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.

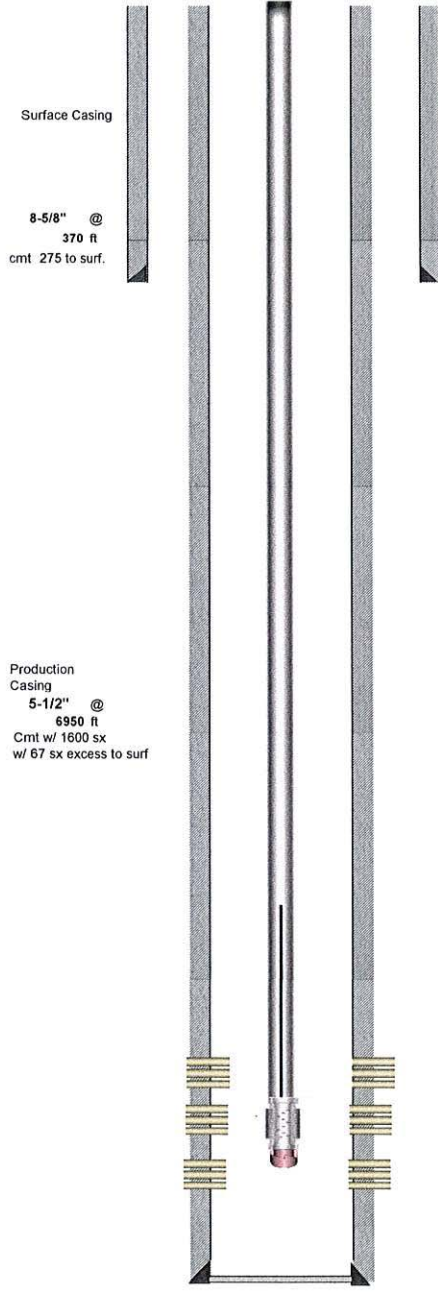
9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

Cross Timbers Energy, LLC

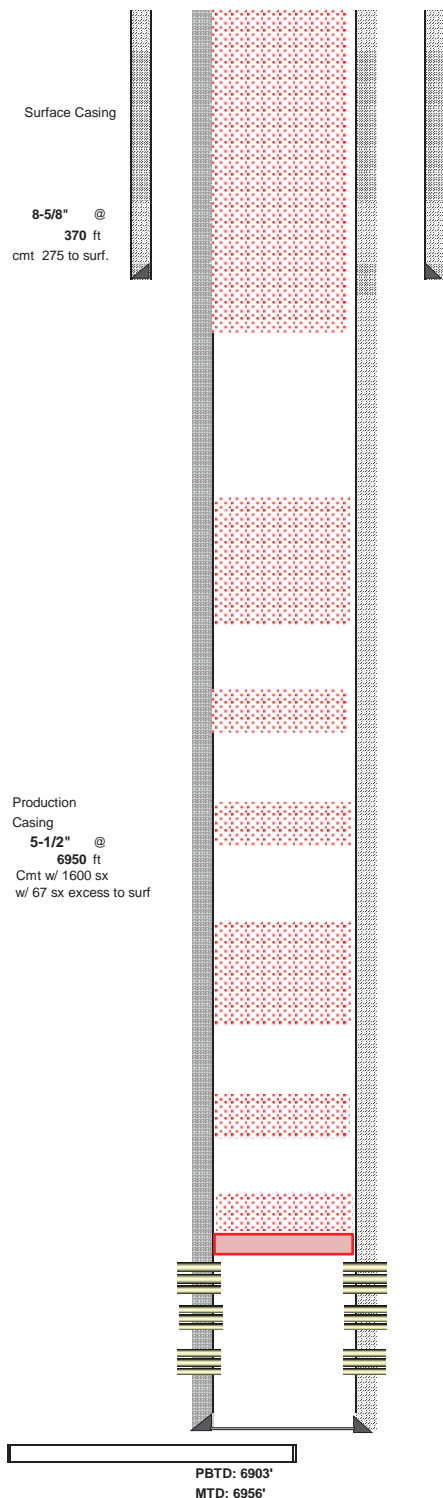
Well: Huerfano Unit 306		Field: Blanco South Pictured Cliffs		4/10/2019																																																				
Loc: 1980'FSL & 1955' FEL		T25N-R9W-S4																																																						
County: San Juan		State: New Mexico																																																						
API# 30-045-34565	Size, in	Wgt, lb/ft	Grade	Hole Size	Depth																																																			
KB: 6647'	Surf. Csg: 8-5/8"	24#	J-55	12-1/4"	370																																																			
GL: 6635'	Cmt - SX 262 sx Class C to surf.																																																							
SPUD: July 01, 2008	Prod. Csg: 5-1/2"	15.5#	J-55	7-7/8"	6950																																																			
Completion: August 25, 2008	Cmt - SX 1040 sx																																																							
MTD: 6956'	PBTD: 6903'	CURRENT STATUS: N/A FAP =N/A																																																						
PMP UNIT: N/A																																																								
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EOT		6824 ft	CIBP	ft																																																				
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05/07/15 SITP 0 psig. SICIP 10 psig. PU & Id 2" x 1-1/4" x 12' x 16' RHAC HVR EPS pmp w/1" x 1" stnr nip. TIH w/pmp. SRG, 1" x 1' LS, 7/8" stb, 21K shear ti, 6 1-1/4" stbs w/5 - 7/8" subs, 3 HF 1-1/4" stbs w/3 - 7/8" subs, 62 - 3/4" rods, 60 - 3/4" rods w/5 Ultra Flow guides per rod, 38 - 3/4" rods, 101 - 7/8" rods, 2 - 7/8" rod subs 4' & 8' & 1-1/4" x 22' PR w/10' Inr. Instl Enviro Pax SB & T-302 rotator. Seat pmp. Ld tbg w/16 bbls 2% KCl wtr. PT tbg to 500 psig for 5". Tst OK. Reisd press. LS pump & PT tbg to 500 psig. Tst OK. HWO. RWTP @ 1:00 p.m. 5/7/15. Ppg @ 4 x 87" SPM. RDMO Lobo Well Service Rig #102. FR for tbg rpr.																																																								
08/19/15 RDMO Lobo Well Service Rig #102. FR for Rod Repair.																																																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Formation</th> <th>Comments/Tops</th> <th>Perforations/ Remarks</th> </tr> </thead> <tbody> <tr> <td>1 DAKOTA</td> <td>6492</td> <td>6492-6714</td> </tr> <tr><td>2</td><td></td><td></td></tr> <tr><td>3</td><td></td><td></td></tr> <tr><td>4</td><td></td><td></td></tr> <tr><td>5</td><td></td><td></td></tr> <tr><td>6</td><td></td><td></td></tr> <tr><td>7</td><td></td><td></td></tr> <tr><td>8</td><td></td><td></td></tr> <tr><td>9</td><td></td><td></td></tr> <tr><td>10</td><td></td><td></td></tr> <tr><td>11</td><td></td><td></td></tr> <tr><td>12</td><td></td><td></td></tr> <tr><td>13</td><td></td><td></td></tr> <tr><td>14</td><td></td><td></td></tr> <tr><td>15</td><td></td><td></td></tr> <tr><td>16</td><td></td><td></td></tr> </tbody> </table>						Formation	Comments/Tops	Perforations/ Remarks	1 DAKOTA	6492	6492-6714	2			3			4			5			6			7			8			9			10			11			12			13			14			15			16		
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Tbg detail: 206 jts -- '2-3/8"@6773.7', SN:6786', 1 jts -- '2-3/8"@32.8", '5-1/2' & '2-3/8" TAC @ 6820', NC: 6823', EOT: 6824'																																																								
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as of ?																																																								
Rod / pump detail:																																																								



Cross Timbers Energy, LLC

Well: Huerfano Unit 306			Field: Blanco South Pictured Cliffs			4/10/2019		
Loc: 1980'FSL & 1955' FEL			T25N-R9W-S4					
County: San Juan			State: New Mexico					
API# 30-045-34565			Size, in	Wgt, lb/ft	Grade	Hole Size	Depth	Cmt - SX
KB: 6647'		Surf. Csg:	8-5/8"	24#	J-55	12-1/4"	370	262 sx Class C to surf.
GL: 6635'								
SPUD: July 01, 2008		Prod. Csg:	5-1/2"	15.5#	J-55	7-7/8"	6950	1040 sx
Completion: August 25, 2008		Liner:						
MTD: 6956'		PBTD: 6903'	CURRENT STATUS: N/A FAP =N/A					

PMP UNIT: N/A		
<p><u>Plug 7: 48 SX Class B Cement F/ 0' - 420'</u> <u>Top of Nacimiento: 92'</u></p>		
<p><u>Plug 6: 57 SX Class B Cement F/ 1074' - 1574'</u> <u>Top of Ojo Alamo: 1174'</u> <u>Top of Kirtland: 1340'</u> <u>Top of Fruitland: 1524'</u></p>		
<p><u>Plug 5: 17 SX Class B Cement F/ 1950' - 2100'</u> <u>Top of Pictured Cliffs: 2050'</u></p>		
<p><u>Plug 4: 17 SX Class B Cement F/ 2800' - 2950'</u> <u>Top of Chacra: 2900'</u></p>		
<p><u>Plug 3: 17 SX Class B Cement F/ 3481' - 3631'</u> <u>Top of Mesa Verde: 3581'</u></p>		
<p><u>Plug 2: 17 SX Class B Cement F/ 5401' - 5551'</u> <u>Top of Gallop: 5501'</u></p>		
<p><u>Plug 1: 17 SX Class B Cement F/ 6230' - 6380'</u> <u>CIBP @ 6380'</u> <u>Top of Dakota: 6569'</u> <u>Dakota Perfs: 6492 - 6714'</u></p>		
Formation		Perforations/ Remarks
1 DAKOTA		6492-6714



CROSS TIMBERS ENERGY LLC
San Juan Basin
Below Grade Tank
Closure Plan

Lease Name: Huerfano Unit 306

API No.: 30-045-34565

Description: Unit Letter J, Section 04, Township 25N, Range 09W, San Juan County

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure requirements of below-grade tanks on CROSS TIMBERS ENERGY LLC (CROSS TIMBERS) locations. This is CROSS TIMBERS's standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank which does not conform to this plan.

General Plan

1. CROSS TIMBERS will obtain approval of this closure plan prior to commencing closure of the below grade tank at this location pursuant to 19.15.17.13.C (1) NMAC
2. CROSS TIMBERS will notify the surface owner by certified mail, return receipt requested, that Cross Timbers plans closure operations at least 72 hours, but no more than one week, prior to any closure operation. If the BLM is the surface owner, an email notification will suffice in place of certified mail. Notice will include:
 - a. Well Name
 - b. API #
 - c. Well Location
3. CROSS TIMBERS will notify the NMOCD Aztec Office by email that Cross Timbers plans closure operations at least 72 hours, but no more than one week, prior to any closure operation. Notice will include:
 - a. Well Name
 - b. API #
 - c. Well Location
4. Within 60 days of cessation of operations, CROSS TIMBERS will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:
 - a. Soils, tank bottoms, produced sand, pit sludge and other exempt wastes impacted by petroleum hydrocarbons will be disposed of at:
IEI: Permit # NM01-0010B
 - b. Produced Water will be disposed of at:
Basin Disposal: Permit # NM01-005

5. Within six (6) months of cessation of operations, CROSS TIMBERS will remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves. If there is any equipment associated with a below-grade tank, then Cross Timbers shall remove the equipment, unless the equipment is required for some other purpose.
6. CROSS TIMBERS will collect a closure sample of the soil beneath the location of the below grade tank that is being closed. The closure sample will consist of a five-point composite sample to include any obvious stained or wet soils, or other evidence of contamination. The closure sample will be analyzed for all constituents listed in Table I below, including DRO+GRO, Chlorides, TPH, benzene and BTEX.

TABLE I			
Depth Below bottom of pit to groundwater less than 10,000 mg/l TDS	Constituent	Method	Limit
≤ 50 Feet	Chloride	EPA 300.0	600 mg/kg
	TPH	Method 418.1	100 mg/kg
	BTEX	Method 8021B or 8260B	50 mg/kg
	Benzene	Method 8021B or 8260B	10 mg/kg
51 feet - 100 feet	Chloride	EPA 300.0	10,000 mg/kg
	TPH	Method 418.1	2,500 mg/kg
	GRO + DRO	Method 8015	1,000 mg/kg
	BTEX	Method 8021B or 8260B	50 mg/kg
	Benzene	Method 8021B or 8260B	10 mg/kg
> 100 feet	Chloride	EPA 300.0	20,000 mg/kg
	TPH	EPA 418.1	2,500 mg/kg
	GRO + DRO	Method 8015	1,000 mg/kg
	BTEX	Method 8021B or 8260B	50 mg/kg
	Benzene	Method 8021B or 8260B	10 mg/kg

7. CROSS TIMBERS will meet the limits for <50' to groundwater detailed in Table I.
 - a. In accordance with Rule 19.15.17.13.C(3)(b) if contaminant concentrations exceed the proposed limit and groundwater is found to be deeper than 50', CROSS TIMBERS may elect to submit additional groundwater information to the Division and request a higher closure limit. CROSS TIMBERS will submit the additional groundwater data via email documenting the depth to groundwater at

the location. CROSS TIMBERS will wait for approval of the groundwater data by the NMOCD, prior to completing closure activities at the site.

- b. If a higher closure limit is submitted and approved by the Division, CROSS TIMBERS will submit a copy of the request, the groundwater information and the received approval in their closure report.
8. If any contaminant concentration is higher than the parameters listed in Table I of 19.15.17.13 NMAC, the division may require additional delineation upon review of the results and Cross Timbers must receive approval before proceeding with closure. If all contaminant concentrations are less than or equal to the parameters listed in Table I of 19.15.17.13 NMAC, then Cross Timbers can proceed to backfill the pit, pad, or excavation with non-waste containing, uncontaminated, earthen material.
9. After closure has occurred, CROSS TIMBERS will reclaim the former BGT area, if it is no longer being used for extraction of oil and gas, by substantially restoring the impacted surface area to the condition that existed prior to oil and gas operations. CROSS TIMBERS will construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover materials. The soil cover shall consist of the background thickness of topsoil, or one foot of suitable materials to establish vegetation at the site, whichever is greater. All areas will be reclaimed as early as practicable, and as close to their original condition or land use as possible. They shall be maintained in a way as to control dust and minimize erosion.
10. CROSS TIMBERS will complete reclamation of all disturbed areas no longer in use when the ground disturbance activities at the site have been completed. The reseeding shall take place during the first favorable growing season after closure. Reclamation activities will be considered completed when a uniform vegetative cover has been established that reflects a life-form ratio of plus or minus fifty percent (50%) of pre-disturbance levels, and a total percent plant cover of at least seventy percent (70%) of pre-disturbance levels, excluding noxious weeds.

*Re-vegetation and reclamation obligations imposed by other applicable federal, state or tribal agencies on lands managed by those agencies shall supersede the above requirements, provided they provide equal or better protection of fresh water, human health and the environment.
11. CROSS TIMBERS will notify the Aztec Office of the NMOCD by email when reclamation and closure activities are completed.
12. Within 60 days of closure, CROSS TIMBERS will submit a closure report to the Aztec office of the NMOCD, filed on Form C-144. The report will include the following:
 - a. Proof of closure notice to NMOCD and surface owner
 - b. Confirmation sampling analytical results
 - c. Soil backfill and cover installation information
 - d. Photo documentation of site reclamation

BLM FLUID MINERALS Geologic Report

Date Completed: 12/11/19

Well No.	Huerfano Unit # 306	Location	1980'	FSL &	1955'	FEL
Lease No.	NMSF078518	Sec. 4	T25N			R9W
Operator	Cross Timbers Energy LLC	County	San Juan	State	New Mexico	
Total Depth	6956'	PBTD 6903'	Formation	Basin Dakota		
Elevation (GL)	6635'		Elevation (KB)	6647' (est.)		

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/Fresh water sands
Nacimiento Fm			Surface	1174'	Fresh water sands
Ojo Alamo Ss			1174'	1340'	Aquifer (fresh water)
Kirtland Shale			1340'	1524'	
Fruitland Fm			1524'	2050'	Coal/Gas/Possible water
Pictured Cliffs Ss			2050'	2174'	Gas
Lewis Shale			2174'	2900'	
Chacra (Upper)			2900'	3624'	Probable water or dry
Cliff House Ss			3624'	3660'	Water/Possible gas
Menefee Fm			3660'	4468'	Coal/Ss/Water/Possible O&G
Point Lookout Ss			4468'	4610'	Probable water/Possible O&G
Mancos Shale			4610'	6482'	
Gallup			Not Found		O&G/Water
Greenhorn			6401'	6462'	
Graneros Shale			6462'	6482'	
Dakota Ss			6482'		O&G/Water

Remarks:

P & A

- Log analysis of reference well #2 (attached worksheet) indicates the Ojo Alamo and Nacimiento Formations contain fresh water ($\leq 5,000$ ppm TDS).

- BLM geologist's pick for the top of the Dakota formation varies from operator's pick in this well.

- Please ensure that the tops of the Menefee, Pictured Cliffs and Fruitland formations, as well as the entire Ojo Alamo aquifer, identified in this report, are isolated by proper placement of cement plugs. This will protect the fresh water sands in this well bore.

No Gallup formation was found at the submitted depth. The plug may be placed as proposed, however.

Reference Well:

1) Cross Timbers Energy Fm. Tops Same

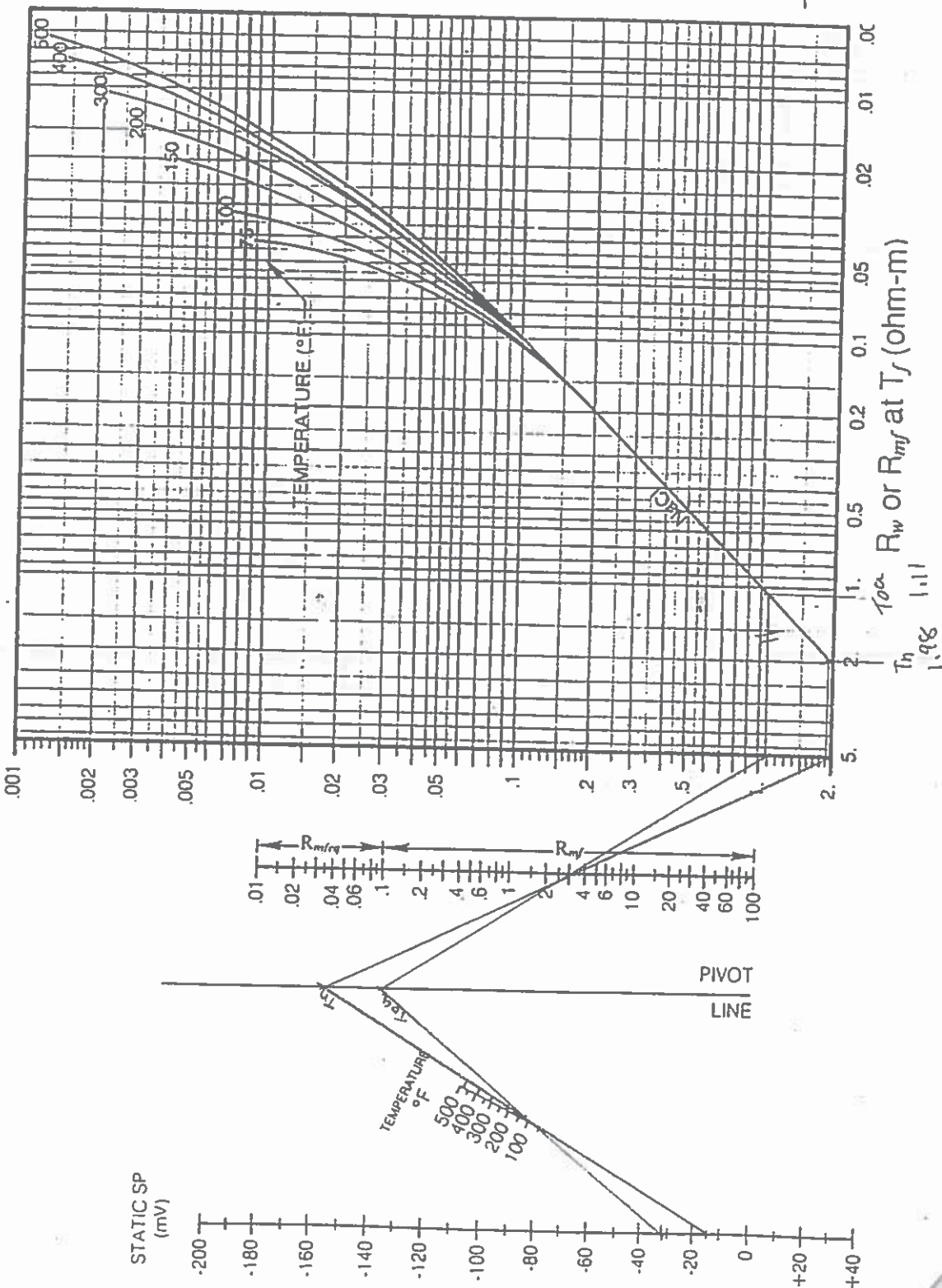
2) Hilcorp Energy Co. Water Analysis
Huerfano Unit # 172
1720' FNL, 1090' FWL
Sec 9, T25N, R9W
GL 6689', KB 6702'

WG
Prepared by: Walter Gage

BR
Huerfano Unit #172
1720 FNL 1090 FWL
Sec. 9, 25N -9W
GL 6689 KB 6702'

$R_{mf} = 2.91 @ 79^\circ$

R_{weq} or $R_{mf,eq}$ at T_f (ohm-m)



P&A Site Reclamation

Huerfano Unit 306

Remove all surface equipment and buried flowlines.

Gravel will be buried in the recontoured cut.

Recontour well pad to blend with surrounding contour.

Rip, disk and seed all disturbed areas.