

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: 1/23/2020

Well information:

30-045-05844 BALLARD #010

SOUTHLAND ROYALTY COMPANY 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 BLM-approved tops:
 - Include a plug 1714'-1614.' OCD Fruitland pick @ 1664.'
 - Include a plug 1234'-969.' OCD Kirtland pick @ 1184' Ojo Alamo pick @ 1019.'


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.
NMNM03154

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
BALLARD 109. API Well No.
30-045-05844-00-S110. Field and Pool or Exploratory Area
BALLARD PICTURED CLIFFS

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

SOUTHLAND ROYALTY COMPANY LLC

Contact: ERIC KITTINGER

Email: EKITTINGER@MSPARTNERS.COM

3a. Address

400 W 7TH STREET
FORT WORTH, TX 76102

3b. Phone No. (include area code)

Ph: 817-334-8302

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

Sec 15 T26N R9W NWSW 1850FSL 0790FWL
36.485947 N Lat, 107.781937 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.

Southland Royalty Company LLC requests approval to plug and abandon the Ballard #10.
Attached are the Proposed Procedure, WBDs, Reclamation Plan, and Noxious Weed form.

KP

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

Electronic Submission #500507 verified by the BLM Well Information System
For SOUTHLAND ROYALTY COMPANY LLC, sent to the Farmington
Committed to AFMSS for processing by ALBERTA WETHINGTON on 01/24/2020 (20AMW0152SE)

Name (Printed/Typed) CONNIE BLAYLOCK

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 01/23/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JOE KILLINS

Title ENGINEER

Date 04/21/2020

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

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: Ballard 10

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.
3. Submit electronic copy of the CBL for verification to the following addresses: jkillins@blm.gov , jhoffman@blm.gov and Brandon.Powell@state.nm.us . Based on CBL review inside/outside plugs and volumes may be adjusted accordingly. Please review the General Requirements document to ensure volumes meet required excess inside and outside casing.
 - a. BLM tops are based on the attached geologic report. Plugs will be adjusted based on cement coverage indicated by the CBL. Do not proceed with any plugging operations prior to reviewing CBL results with BLM and revising plug depths.
4. Ensure all plugs cover 50 feet above and below indicated formation tops with plugs meeting General requirements. Minimum inside plug to include 50' excess cement. See attached BLM geologic report.
 - a. Adjust plug 2 to cover 1210 - 1310 ft plus additional 50 ft excess plug volume. BLM Fruitland formation top (1260 ft md).
5. Onshore Order 2 does not allow for annular space that extends to the surface. Determine free pipe for 2-7/8 inch casing and recover free pipe at least to 161 feet. Perforate 5-1/2 inch casing and place inside outside plug at least 161 feet to surface.

BLM FLUID MINERALS Geologic Report

Date Completed: 4/10/20

Well No.	Ballard #10		Location	1850'	FSL	&	790'	FWL
Lease No.	NMNM03154		Sec. 15	T26N			R9W	
Operator	Southland		County	San Juan		State	New Mexico	
Total Depth	2063'	PBTD 2048'	Formation Ballard Pictured Cliffs					
Elevation (GL) 6326'			Elevation (KB) 6339' (est.)					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm					Surface/Fresh water sands
Nacimiento Fm			Surface	892'	Fresh water sands
Ojo Alamo Ss			892'	990'	Aquifer (fresh water)
Kirtland Shale			990'	1260'	
Fruitland Fm			1260'	1976'	Coal/Gas/Possible water
Pictured Cliffs Ss			1976'	2060'	Gas
Lewis Shale			2060'		
Chacra					Probable water or dry
Cliff House Ss (main)					Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale					Source rock
Gallup					O&G/Water
Dakota					O&G/Water

Remarks:

P & A

- Please ensure that the tops of the 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 freshwater sands in this well bore.

Reference Well:

1)Hilcorp Fm. Tops
Ballard #500
1960' FSL, 1330' FWL
T26N, R9W, Sec 15
GL= 6332'

Prepared by: Walter Gage

PROPOSED P&A PROCEDURE

BALLARD #10

1. MIRU.
2. POOH w/ tubing.
3. Run a casing scraper to 1,900'
4. Set CIBP @ 1,900'
5. Spot 3 sx Class G Cement on top of plug. (est'd TOC @ 1,800). WOC. Tag TOC.
6. RU and run CBL.
7. Circulate hole with mud laden fluid.
8. Spot balanced cement plug from 1,400' – 1,500' with 3 sx Class G cement. WOC. Tag TOC.
9. Perf squeeze hole @ 390'.
10. Cement into annulus with 30 sx Class G cement and inside 2-7/8" casing w/ 12 sx Class G cement. Total cement 42 sx. Ensure cement at surface.
11. Cut off wellhead below surface casing flange. Install P&A marker.



Southland Royalty Company LLC

Current

Prepared by: D. Poindexter

Date: 01/23/2020

GL = 6,336'

API# 30-045-05844

Spud Date: 05/08/1954

Date Completed: 05/22/1954

Ballard #10

San Juan County, NM

TD – 2,063'; PBTD – 2,048'
Surface Csg: 8 5/8", 32#
Setting Depth: 111'

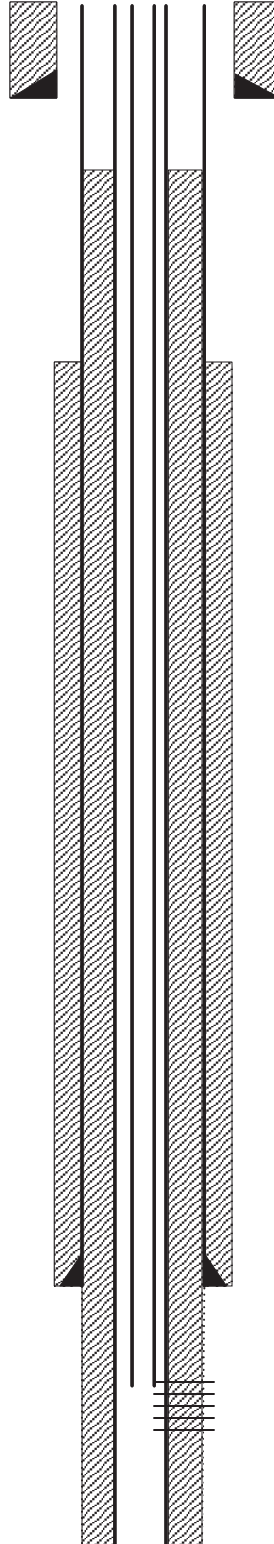
Cement
100 sx Cement
Cmt circulated?

Intermediate Csg: 5-1/2", 15.5#
Setting Depth: 1,980'

Cement:
150 sx cement
TOC @ ?

Production Casing: 2-7/8", 6.4#, J-55
Set @ 2,060'

Cement:
100 sx
TOC @ 395' by ?



OH Picture Cliffs Interval (1954):

Solidified Nitro Glycerin
1,988' – 2,060'

Recompletion 1971: Ran 68
jts 2-7/8", 6.4#, J-55
Production Casing set at
2,060' w/ 100 sx cmt. TOC @
395'. PBTD @ 2,048'. Perf
1,980' – 2,000' & 2,024' –
2,034'. Frac'd w/ 30k# sand &
30k gal water.

Tubing (1999): 61 jts, 1-1/4", 2.33#,
J-55 tubing set @ 2,000'



Southland Royalty Company LLC

Proposed P&A

Prepared by: D. Poindexter

Date: 01/23/2020

GL = 6,336'

API# 30-045-05844

Spud Date: 05/08/1954

Date Completed: 05/22/1954

Ballard #10

San Juan County, NM

TD – 2,063'; PBTD – 2,048'
Surface Csg: 8 5/8", 32#
Setting Depth: 111'

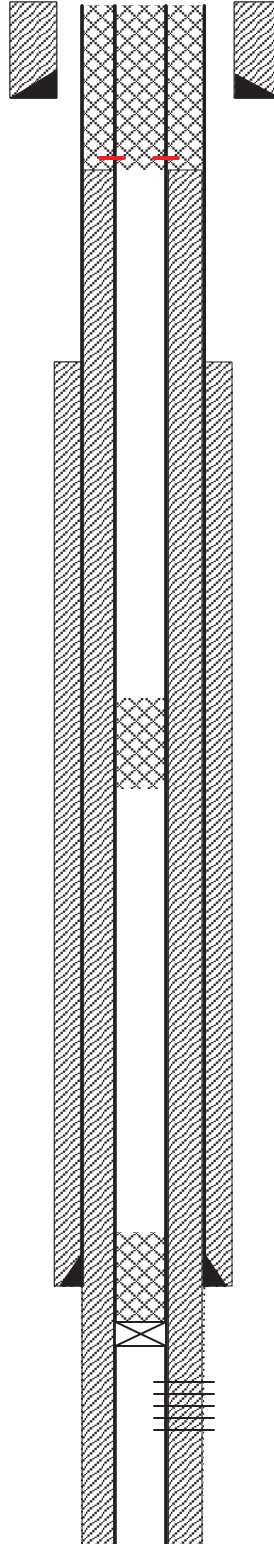
Cement
100 sx Cement
Cmt circulated?

Intermediate Csg: 5-1/2", 15.5#
Setting Depth: 1,980'

Cement:
150 sx cement
TOC @ ?

Production Casing: 2-7/8", 6.4#, J-55
Set @ 2,060'

Cement:
100 sx
TOC @ 395' by ?



Plug 3:
Perf @ 390'
30 sx cmt in annulus
12 sx cmt inside 2-7/8" casing
Total cmt: 42 sx
Cmt 390' - Sfc

Plug 2:
3 sx cmt from
1,400' – 1,500'

Plug 1:
CIBP @ 1,900'
3 sx cmt on top
TOC @ 1,800'

OH Picture Cliffs Interval (1954):

Solidified Nitro Glycerin
1,988' – 2,060'

Recompletion 1971: Ran 68
jts 2-7/8", 6.4#, J-55
Production Casing set at
2,060' w/ 100 sx cmt. TOC @
395'. PBTD @ 2,048'. Perf
1,980' – 2,000' & 2,024' –
2,034'. Frac'd w/ 30k# sand &
30k gal water.