

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, 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: 5/28/14

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Recomplete/DHC
☐ Location Change ☐ Other:

Well information:

| API WELL # | Well Name | Well # | Operator Name | Type | Stat | County | Surf. Owner | UL | Sec | Twp | N/S | Rng | W/E |
|--------------------|--------------|--------|-----------------|------|------|----------|-------------|----|-----|-----|-----|-----|-----|
| 30-045-06562-00-00 | E E MARTIN C | 001 | XTO ENERGY, INC | G | A | San Juan | F | A | 14 | 27 | N | 10 | W |

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Provide CBL to agencies prior to cementing

NMOCD Approved by Signature

6-12-14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

| | | |
|---|--|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMSF-077329 |
| 2. Name of Operator XTO ENERGY INC. | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 382 CR 3100 AZTEC, NM 87410 | 3b. Phone No. (include area code) 505-333-3630 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL & 1165' FEL NENE SEC.14 (A) -T27N-R10W N.M.P.M. | | 8. Well Name and No. EE MARTIN C #1 |
| | | 9. API Well No. 30-045-06562 |
| | | 10. Field and Pool, or Exploratory Area FULCHER KUTZ PICTURED CLIFFS |
| | | 11. County or Parish, State SAN JUAN NM |

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 recomple 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 recomple in a new interval, a 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 final site is ready for final inspection.)

XTO Energy Inc. intends to plug and abandon this well per the attached procedure and will be using a Closed Loop System. Please see also the attached current and proposed wellbore diagrams and surface reclamation plan.

OIL CONS. DIV DIST. 3

JUN 06 2014

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

| | |
|--|---|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) SHERRY J. MORROW | Title LEAD REGULATORY ANALYST |
| Signature <i>Sherry J. Morrow</i> | Date 5/28/2014 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|------------------------------------|-------------------------|
| Approved by Troy Salvers | Title Petroleum Engineer | Date 6/3/2014 |
| 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 FFO | |

BRB _____
MTG _____
Approved _____

**EE Martin C #1
Sec 14, T 27 N, R 10 W
San Juan County, New Mexico
4/24/2014**

Plug and Abandon Procedure

Spud Date: 9/3/1951

Surface Casing: 10-3/4", 32.75#, J-55 csg @ 104'. Cmt'd w/100 sx. Circ 20 sx cmt to surf.

Intermediate Casing: 5-1/2", 14#, J-55 csg @ 1,996'. Cmt'd w/75 sx. Did not circ cmt to surf.

Production Casing: 3-1/2", 9.3#, J-55 csg @ 2,139'. Cmt'd w/250 sx. Did not circ cmt to surf.
Capacity: .0087 bbls/ft or .3652 gal/ft

Production Tubing: 2-1/16" string

Rod String: 5/8" string

Pump: 1-1/4" insert pump

Perforations: Pictured Cliffs: 2,006' – 2,034'

PBTD: 2,100'

Recent Production: INA since 7/22/2013 (downhole failure). 1 MCFPD. 0 BWPD.

Notify NMOCD & BLM 24 hours prior to beginning plugging operations

1. Check for COA's and approved NOI before beginning operations.
2. Test rig anchors.
3. Set flowback tank.
4. MIRU completion rig. Review JSA.
5. TOH rods & pump.
6. ND WH. NU & FT BOP.
7. TOH tubing.
8. TIH bit & string mill to 2,006'. TOH.
9. TIH 3-1/2" CICR & set @ $\pm 1,995'$. PT tubing. Sting out of CR and circulate hole clean.
10. PT casing and CR to 550 psig. If casing does not test, contact engineer.
11. MIRU WLU. Review JSA.
12. Run CBL/CCL log from CR @ 1,995' – surface. Correlate to CCL dated 12/2/1974. Send CBL to engineer.

Plugs may need altered based off CBL results. Contact engineer with changes.

13. TIH tubing.
14. MIRU cement truck. Review JSA.
15. **Perforation Isolation & Pictured Cliffs Top Plug (1,995' – 1,940')**: Pump 5 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 1,995' – 1,940' (volume calculated with 50' excess).
16. **Fruitland Coal Top Plug (1,606' – 1,506')**: Pump 10 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 1,606' – 1,506' (volume calculated with 50' excess).
17. **Kirtland & Ojo Alamo Top Plug (1,237' – 986')**: Pump 15 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield) down tubing and spot a balanced plug from 1,237' – 986' (volume calculated with 50' excess).
18. **Surface Plug (154' – Surface)**: Perforate 3 squeeze holes at 154'. Open bradenhead valve. Establish injection rate into squeeze holes to surface. Pump 30 sx Class "B" cement (15.6 ppg, 1.18 cuft/sx yield). Squeeze 20 sx outside casing and leave 10 sx inside casing from 154' – Surface (volume calculated with 50' excess inside and 100% excess).
19. RDMO WLU.
20. TOH & LD tubing.
21. RDMO cement truck.
22. WOC 4 hours.
23. Cut off WH. Fill in casing as needed with cement. Install above ground P&A marker.
24. Cut off anchors and reclaim location.

Checklist

Regulatory:

1. NOI to P&A on form C-103
2. Submit a post-work sundry on form C-103 which details the P&A work and location work within 30 days of completing all required restoration work.

Equipment:

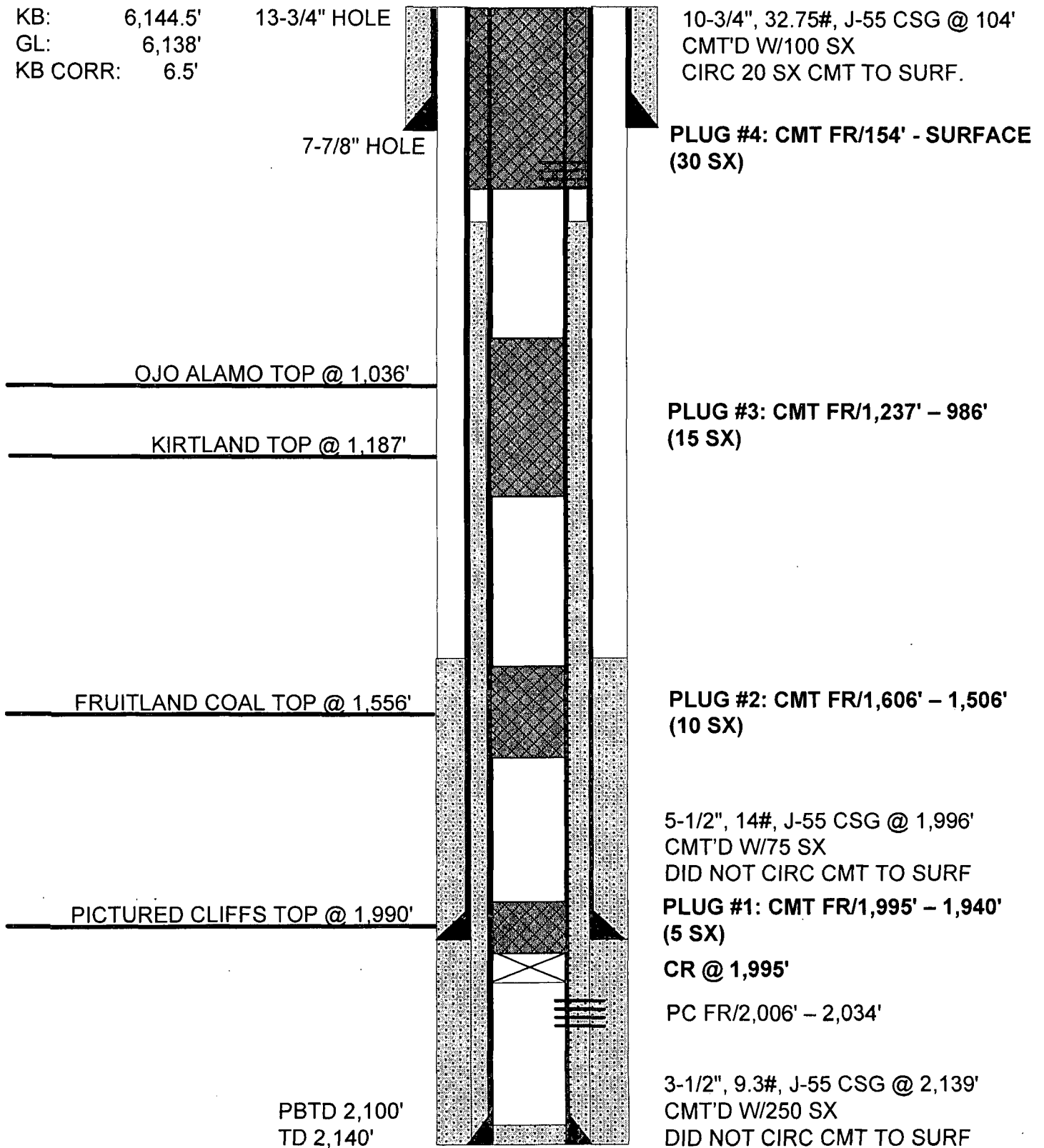
1. 1 flowback tank
2. If tbhg doesn't PT, 2,000' 2-1/16" workstring
3. 3-1/2" cement retainer
4. String mill
5. 60 sx Class "B" cement
6. 1 above ground marker

Services:

1. Completion rig
2. Cement truck
3. Wireline Unit

EE Martin C #1
Sec 14, T 27 N, R 10 W
San Juan County, New Mexico

Proposed P&A Diagram



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: EE Martin C #1

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. The following modifications to your plugging program are to be made:

a) *Set plug #2 from (1751-1651) ft. to cover the Fruitland Coal formation.

➤ BLM picked top of Fruitland Coal @ 1701 ft.

***Plugs 2 and 3 will be set inside assuming good cement isolation on backside of 3.5" production casing. Operator will run a CBL to verify cement top. Outside plugs will be required if cement top is not adequate for zonal isolation. Submit electronic copy of the log to the following BLM address: tsalyers@blm.gov**

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.