

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, 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 3160-5 form.
Operator Signature Date: **Original APD 6/21/2014** Sundry Extension Date 8/10/2017

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-35577-00-00	PAYNE 22	031	COLEMAN OIL & GAS INC	G	N	San Juan	F	H	22	32	N	10	W

Conditions of Approval:

(See the below checked and handwritten conditions)

- ✓ Notify Aztec OCD 24hrs prior to casing & cement.
- ✓ Hold C-104 for directional survey & "As Drilled" Plat
- ✓ Hold C-104 for NSL, NSP, DHC.
- ☐ Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- ✓ Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
 - ✓ A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
 - ✓ A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
 - ✓ A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- ✓ Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- ✓ Submit Gas Capture Plan form prior to spudding or initiating recompletions operations.
- ✓ Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84

September 8, 2017

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- ✓ Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- ✓ Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.
- ✓ Comply with current regulations at time of spud
Prior to production operator needs to be in compliance with RULE 19.15.5.9



NMOCD Approved by Signature

8/22/17

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.***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. NMSF080517
2. Name of Operator COLEMAN OIL & GAS INCORPORATED Contact: MICHAEL T HANSON Email: mhanson@cog-fmn.com		6. If Indian, Allottee or Tribe Name
3a. Address FARMINGTON, NM 87499	3b. Phone No. (include area code) Ph: 505-327-0356 Ext: 106 Fx: 505-327-9425	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T32N R10W SENE 1882FNL 1245FEL 36.972658 N Lat, 107.865120 W Lon		8. Well Name and No. PAYNE 22 31
		9. API Well No. 30-045-35577-00-X1
		10. Field and Pool or Exploratory Area Multiple--See Attached
		11. County or Parish, State SAN JUAN 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input 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.

Coleman Oil & Gas, Inc respectfully request an extension to the original Application For Permit To Drill, for the Payne 22#31 dated October 22, 2014.

Payne 22#31
Surface Hole Location
Section 22, T32N R10W
1822' FNL & 1245' FEL

Bottom Hole Location
Section 22, T32N R10W
1220' FNL & 1980' FEL

OIL CONS. DIV DIST. 3

AUG 21 2017

** Approved until 10/22/2018*

14. I hereby certify that the foregoing is true and correct. Electronic Submission #384667 verified by the BLM Well Information System For COLEMAN OIL & GAS INCORPORATED, sent to the Farmington Committed to AFMSS for processing by JACK SAVAGE on 08/15/2017 (17JWS0199SE)	
Name (Printed/Typed) MICHAEL T HANSON	Title ENGINEER
Signature (Electronic Submission)	Date 08/14/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JACK SAVAGE	Title PETROLEUM ENGINEER	Date 08/15/2017
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 ****

NMOCDFV

Additional data for EC transaction #384667 that would not fit on the form

10. Field and Pool, continued

BLANCO MESAVERDE

000001

United States Department of the Interior
Bureau of Land Management

Reclamation Plan

Coleman Oil & Gas, Inc.

Juniper Com 18#31
Plug and Abandonment Project

Prepared by

Michael T. Hanson

Coleman Oil & Gas, Inc.
6540 East Main
Farmington, New Mexico 87402

Thursday, July 27, 2017

U.S. Department of the Interior
Bureau of Land Management
Farmington District
Farmington Field Office
6251 N. College Blvd., Ste. A
Farmington, NM 87402
Phone: (505) 564-7600
FAX: (505) 564-7608

BLM



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Reclamation Plan (Procedure A)

Applicant	Coleman Oil & Gas, Inc.
Project Type	Reclamation of a natural gas well site.
Well, Oil and Gas Lease, or Right-of-Way (ROW) Name	Juniper Com 18 #31
Legal Location	NWNE Section 18 (1000' FNL, 1600' FWL), Township 24 North, Range 10 West, New Mexico Principal Meridian, in San Juan County, New Mexico
Lease Number(s)	NMNM104606

Introduction

This reclamation plan has been prepared to meet the requirements and guidelines of the Bureau of Land Management (BLM) Farmington Field Office (FFO) Bare Soil Reclamation Procedures (BLM 2013a) and Onshore Oil and Gas Order No. 1.

The Coleman Oil & Gas, Inc contact person for this Reclamation Plan is:

Michael T. Hanson
Coleman Oil & Gas, Inc.
6540 East Main
Farmington, New Mexico 87402
Phone: (505) 327-0356

Vegetation Reclamation Procedure A

Completion of a Vegetation Reclamation Plan in accordance with Procedure A of the BLM/FFO Bare Soil Reclamation Procedures is required for surface disturbing actions, grants, or permits authorized by the BLM/FFO resulting in bare mineral soil **across an area greater than 0.1 acre but less than 1 acre**, not including a BLM/FFO approved working area. Working areas include areas routinely used to operate and maintain facilities or improvements. The FFO makes no distinction between interim and final revegetation processes; revegetation processes and standards are the same for all revegetation activities.

Revision of the Reclamation Plan

Coleman Oil & Gas, Inc may submit a request to the BLM/FFO to revise the Reclamation Plan at any time during the life of the project in accordance to page 44 of the Gold Book (USDI-USDA 2007). Coleman Oil & Gas, Inc will include justification for the revision request.

Project Description

Coleman Oil & Gas, Inc plans to plug and abandoned the Juniper Com 18 #31 wellbore. Location, access and associated portion of pipeline will be reclaimed. This location is located on public lands managed by the BLM southwest of Bloomfield, NM. Well pad and access will be reclaimed. The pipeline is owned and operated by Coleman. Meter tube, markers and risers will be removed from the location. Pipeline will be depressurized and cleared and stripped back from access as needed.

Estimated Total Area of Disturbance

The Juniper Com 18 #22 well pad is approximately 210-foot by 150-foot location and with a maximum of a 1 foot cut on the Northeast side of the pad and a maximum of a 1 foot fill on the Southwest West side of the pad. Well location, pipeline and access are located on public lands managed by the BLM. Total surface disturbance as a result of well pad would be approximately **0.97 acres** on public lands managed by the BLM.

Site Visit

The pre-disturbance site visit occurred on May 5, 2017. The following persons were present at the site visit.

Table 1.

Name	Affiliat	Contact Info
Robert K. Switzer	BLM/FFO	505-564-7709 rswitzer@blm.gov
Bruce Taylor	Coleman Oil & Gas, Inc.	505-486-3427
James Hellekson	M&R Trucking	505-801-4034

Vegetation Community

Based on observations made during the pre-disturbance site visit, it has been determined that the vegetation community which best represents the proposed project area is Sagebrush Community. This community is comprised primarily of Wyoming big sage with lesser amounts of basin big sage and minor areas of black sage. It is found on all aspects from about 5,000 to 7,200 feet but is most common on southerly and western aspects. Soils vary from clayey to fine sandy loam to loamy in texture with loamy sites being more pervasive.

Proposed Reclamation Seed Mix

Disturbance will be re-contoured and topsoil will be redistributed and prepared for seeding by the construction contractor. Ripping, disking, and seeding of the site will be done by M&R Trucking Services using the BLM-approved seed mix, which is shown in Table 2. The proposed reclamation seed mix takes into account the existing vegetation on the proposed project site.

Table 2. Sagebrush Community Seed Mix

Common Name	Scientific Name	Variety	Season	Form	PLS lbs/acre ¹
Fourwing saltbush	<i>Atriplex canescens</i>	VNS	Cool	Shrub	2.0
Winterfat	<i>Krascheninnikovia lanata</i>	VNS	Cool	Shrub	2.0
Indian ricegrass	<i>Achnatherum hymenoides</i>	Paloma or Rimrock	Cool	Bunch	4.0
Blue grama	<i>Bouteloua gracilis</i>	Alma or Hachita	Warm	Sod-forming	2.0
Sand dropseed	<i>Sporobolus cryptandrus</i>	VNS	Warm	Bunch	0.5
Bottlebrush squirreltail	<i>Elymus elymoides</i>	Tusas or VNS	Cool	Bunch	3.0
Small burnet	<i>Sanguisorba minor</i>	Delar	Cool	Forb	2.0
Lewis flax	<i>Linum lewisii</i>	Apar	Cool	Forb	0.25
¹ Based on 60 pure live seeds (PLS) per square foot, drill seeded; double this rate (120 PLS per square foot) if broadcast or hydroseeded; "lbs" refers to pounds.					

**** Seed Mix is a recommended upgrade from what was required in the original reclamation plan on the approved APD.**

Vegetation Reclamation Standards

Requirements for determining reclamation and if it is successfully completed for the selected vegetation community are determined by the reclamation percent cover standards for the community, as outline in Table 3. These standards must be met during post-disturbance monitoring procedures in order for the BLM/FFO to sign off on the attainment of vegetation reclamation standards.

Table 3. Reclamation Goal for Sagebrush/Grass Community Cover

Functional Group	Percent (%) Foliar Cover	Common Species
Trees/Shrubs/Grasses/Forbs	≥ 35	Utah Juniper, pin on pine; big sagebrush, four-wing saltbush, antelope bitterbrush, alkali sacaton, Western wheatgrass, Indian ricegrass, galleta, sand dropseed, scarlet globemallow, wooly Indianwheat, fleabane, Penstemon sp., buckwheat, threadleaf groundsel
Invasive/undesirables 10% allowed toward meeting standard of 35%.	≤ 10	Plants that have the potential to become a dominant species on a site where its presence is a detriment to revegetation efforts or the native plant community. Examples of invasive species include cheatgrass, Russian thistle, and kochia.

Weed Survey

During the site visit, the proposed action area was surveyed for noxious weeds listed on the New Mexico Department of Agriculture's Class A and Class B list. During the survey, noxious weeds were documented within the proposed action area.

Soil Evaluation

Representative collaboratively decided at the site visit that no soil testing is necessary for the proposed project area.

Reclamation Techniques for Successful Revegetation

Site Clearing

After the well is plugged the wellhead will be cut-off 3' below ground level and a 4" diameter P&A marker will be welded to the casing stub. All flow lines and anchors will be cut-off at least 3' below ground level or removed completely. Well site will be kept free of debris. All material and possible contaminated soils will be disposed at an approved disposal site. Gravel will be stripped and paced in cut with a minimum of two foot of cover or hauled to an approved disposal site.

Topsoil Replacement

It is not apparent that any top soil was stockpiled during the original construction of the well pad. Bar ditch will be cleaned out on south side of pad with appropriate water bar turn outs. Areas not utilized for daily production access will be ripped and seeded. An earthen berm and controlled drainage will be installed along the North side of the pad. Coleman (or its contractor) will take care not to mix topsoil with the underlying subsoil horizons.

Water Management/Erosion Control Features

The BLM/FFO representative and the Coleman representative will work in collaboration to develop site-specific erosion control or water management features and to identify installation locations. Water bars and silt traps will be added as needed to control water management/erosion on location and access slopes.

Seedbed Preparation

For cut and fill slopes, initial seedbed preparation will consist of backfilling and re-contouring to achieve a configuration as close to pre-disturbance conditions as possible. Areas to be reclaimed will be re-contoured to blend with the surrounding landscape, emphasizing restoration of existing drainage patterns and landform to pre-construction condition, to the extent practicable.

Seedbed preparation of compacted areas will be ripped to a minimum depth of 12 inches, with a maximum furrow spacing of 2 feet. Where practicable, ripping will be conducted in two passes at perpendicular directions. Disking will be conducted if large clumps or clods remain after ripping. Any tilling or disking that occurs along the contour of the slope and seed drills will also be run along the contour to provide terracing and prevent rapid run-off and erosion. If broadcast seeding is used, a dozer or other tracked equipment will track perpendicular to the slope prior to broadcast seeding.

Final seedbed preparation will consist of raking or harrowing the spread topsoil prior to seeding to promote a firm (but not compacted) seedbed without surface crusting.

**** Seedbed preparation is similar to the original reclamation plan on the approved APD.**

Soil Amendments

Based on information gathered at the onsite inspection, and as a result of any soil testing conducted for the proposed project area, the Coleman and BLM/FFO representatives have decided collaboratively that no soil amendments will be used during reclamation of the affected environment.

Seeding Requirements

The seed mix chosen for this project is listed in Table 2. Seeding will occur in late July or September or as approved by the BLM/FFO.

A Truax seed drill or modified rangeland drill that allows for seeding species from different seed boxes at different planting depths will be used to seed the disturbed areas of the project area. Coleman or its reclamation contractor will ensure that perennial grasses and shrubs are planted at the appropriate depth. Intermediate size seeds (such as wheatgrasses and shrubs) will be planted at a depth of 1 to 2 inches. Small seeds (such as alkali sacaton and sand dropseed) will be planted at a depth of 0.25 inch. In situations where differing planting depths are not practicable using available equipment, the entire seed mix will be planted no deeper than 0.25 inch.

Drill seeding may be used on well-packed and stable soils that occur on gentler slopes and where equipment and drills can safely operate. The reclamation contractor may elect to hand-broadcast seed using a "cyclone" hand seeder or similar broadcast seeder. Broadcast application of seed requires a doubling of the drill-seeding rate. The seed will then be raked into the ground so the seed is planted no deeper than 0.25 inch below the surface.

Mulching

Hand seeding with hydro-mulch, excelsior netting, and/or mulch with netting may be required on cut and fill slopes. Mulch should be grass or straw spread at 2,000 to 3,000 pounds per acre, or approximately 1 to 2 inches deep. Mulching will consist of crimping certified weed-free straw or certified weed-free native grass hay into the soil.

Straw or native grass hay mulch can be applied by hand broadcasting or blowing to a relatively uniform depth of 2 to 3 inches, equivalent to a rate of approximately 2 tons per acre (one 74-pound bale per 800 square feet). When applied properly, approximately 20 to 40 percent of the original ground surface will be visible.

Straw or native grass hay mulch will then be anchored using one of the following methods:

- Hand Punching – a spade or shovel is used to punch mulch into the topsoil at 1-foot intervals until all areas have mulch standing perpendicular to the slope and the mulch is embedded at least 4 inches into the soil.
- Roller Punching – a roller is used to spread mulch over an area; the roller is equipped with straight studs not less than 6 inches long, from 4 to 6 inches wide, and approximately 1 inch thick.
- Crimper Punching – similar to roller punching, a crimper is used over the soil. The crimper has serrated disk blades about 4 to 8 inches apart that force the mulch into the soil. Crimping should be done in two directions with the final pass across the slope.

Mulch applications in extremely clayey soils should be evaluated carefully to avoid developing an adobe mixture. In these cases, a soil amendment may be beneficial.

Noxious and Invasive Weed Control

Should noxious or invasive weeds be documented after earthwork and seeding activities, the BLM/FFO weed coordinator will provide Coleman with specific requirements and instructions for weed treatments, including the period of treatment, approved herbicides that may be used, required documentation to be submitted to the BLM/FFO after treatment, and any other site-specific instructions that may be applicable.

**** Similar requirement for pesticide/herbicide requirement on the original reclamation plan on the approved APD.**

Monitoring Requirements

Attainment of Vegetation Reclamation Standards

When vegetation on a reclaimed site appears to meet the required percent revegetation standard, Coleman will submit to the BLM/FFO a written request for concurrence that revegetation standards have been attained. The BLM/FFO will review the request and approve or deny the request within 60 days of receipt. If the request is denied, the BLM/FFO may initiate a site inspection within 60 days of the denial to analyze the site and determine if remedy actions may be appropriate.

References

43 CFR Part 3160, "Onshore Oil and Gas Order No. 1; Onshore Oil and Gas Operations; Federal and Indian Oil and Gas Leases; approval of Operations," 72 Federal Register 44 (March 2007), pp. 10328-10338.

BLM. 2013a. Farmington Field Office Bare Soil Reclamation Procedures. Available at:
http://www.blm.gov/nm/st/en/fo/Farmington_Field_Office/ffo_planning/surface_use_plan_of.html.
Accessed November 2013.

BLM. 2013b. Updated Reclamation Goals. Available at:
http://www.blm.gov/nm/st/en/fo/Farmington_Field_Office/ffo_planning/surface_use_plan_of/updated_reclamation.html. Accessed November 2013.

U.S. Department of the Interior, U.S. Department of Agriculture (USDI, USDA). 2007. Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development. BLM/WO/ST-06/021+307/REV 07. Bureau of Land Management, Denver, Colorado. 84 pp

Original Approved Reclamation Plan attached to Approved APD. Original APD approved August 01, 1997.

