

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Elm Ridge Resources, Inc.

3a. Address

PO Box 189 Farmington, NM 87499

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

950' FNL & 1500' FEL

Sec. 8-T25N-R11W

Phone No. (include area code)
505-632-3476

5. Lease Serial No.

NMSF -078062A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Mudge 2 #300

9. API Well No.

30-045-21286

10. Field and Pool, or Exploratory Area

Basin Dakota

11. County or Parish, State

San Juan, New Mexico

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 Operations (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 shall 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 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 site is ready for final inspection.)

Elm Ridge Resources plans to Plug and Abandon the Mudge 2 #300 as soon as we complete the workover(s) we are currently working on. Work should begin on or before the summer of 2001. P&A procedure already approved and submitted for your review.

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

Name (Printed/Typed)

Trudy Grubelnik

Title

Production Technician

Signature

Date

May 16, 2001

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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 the rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

ACCEPTED FOR RECORD

Title 18 U.S.C. Section 1001, makes 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 reverse)

MAY 23 2001

NMDC

OFFICE

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

5. Lease Designation and Serial No.
NMSF078062A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA. Agreement Designation

RECEIVED
NOV 29 1999

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir,

Use "APPLICATION FOR PERMIT--" for such proposals

RECEIVED
BLM

NOV 15 PM 1:22

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well

☒ Gas Well

☐ Other

2. Name of Operator

Central Resources, Inc.

3. Address and Telephone No.

P.O. Box 1247, Bloomfield, New Mexico 87413 (505)-632-3476

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

950' FNL, 1500' FEL, Section 8, T25N, R11W

8. Well Name and No.

Mudge "2" No. 300

9. API Well No.

30-045-21286

10. Field and Pool, or Exploratory Area

Basin Dakota

11. County or Parish, State

San Juan, New Mexico

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☒ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Central Resources, Inc. intends to plug the well in accordance with regulations.

Perforate and squeeze will be used unless casing can be recovered over the specified interval.

Proposed procedure:

- Notify the Farmington BLM office at 505-599-8907 24 hours prior to commencement of plugging operations.
- Clear hole of all recoverable production equipment.
- Spot a cement plug through tubing from ⁵⁷¹⁸3750' - ⁵⁸¹⁶5800' to cover the Dakota.
- Spot a cement plug through tubing from ⁴⁷³³4600' - ⁴⁷³³4700' to cover the Gallup.
- Perforate and squeeze cement from 2085' - 1985' to cover the Mesaverde inside and outside the casing.
- Perforate and squeeze cement from ¹⁰²⁶1290' - ⁹²⁴1190' to cover the Pictured Cliffs inside and outside the casing.
- Perforate and squeeze cement from ⁸⁹⁰890' - ⁷⁰⁰700' to cover the Fruitland inside and outside the casing.
- Perforate and squeeze cement from ⁴⁷⁵475' - ⁵²⁵525' to cover the surface casing shoe inside and outside the production casing.
- Perforate and squeeze cement from surface to 50' inside and outside the production casing.
- Cut wellhead and install dry hole marker. Clear and remediate location.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Signed Rodney L. Seale Title District Manager Date November 11, 1999

(This space for Federal or State office use)

Approved by [Signature] Title Hearing Team Lead Date 11/24/99

Conditions of approval, if any:

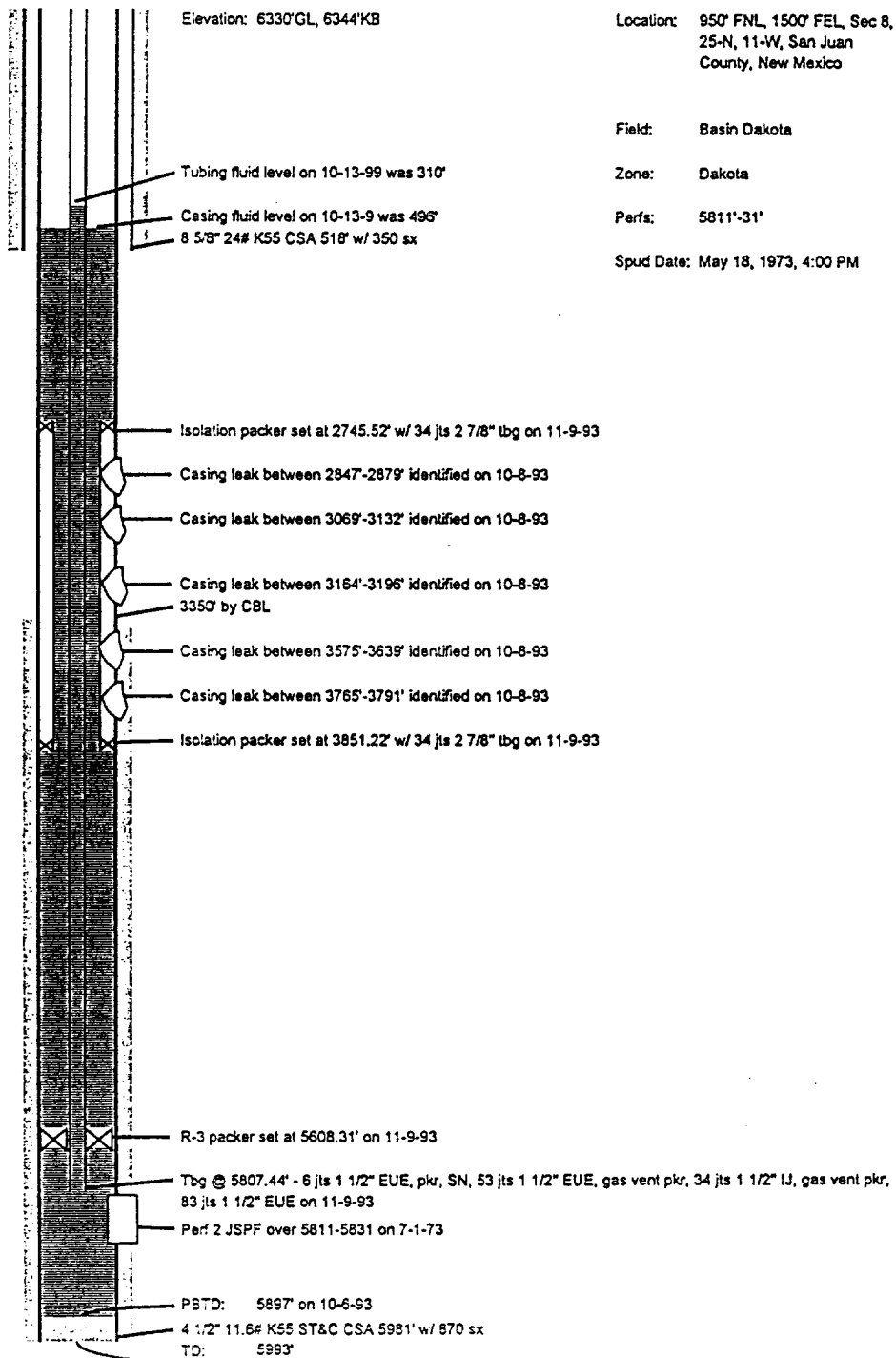
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any manner within its jurisdiction.

* See Instruction on Reverse Side

OPERATIONS

CENTRAL RESOURCES, INC.

Mudge "300" No. 2



Workovers:

7-1-73 Initial completion, Frac 5811-31 w/ 32,000 gal gelled water & 52,500# 20/40 & 27,000# 10/20 at 10 BPM

7-25-73 Acidize 5811-31 w/ 25,000 gal 5% HCl @ 3 BPM

11-3-92 Acidize 5811-31 w/ 3,000 gal 15% HCl @ 3 BPM

Rod Seale
11/12/99

BLM CONDITIONS OF APPROVAL

The following surface rehabilitation Conditions of Approval must be complied with as applicable, before this well can be approved for final abandonment (see 43 CFR 3162.3-4). **Surface rehabilitation work shall be completed within one year of the actual plugging date. Notification for completion of this work can be submitted with a Sundry Notice.**

1. No construction, drilling or completion activities shall be conducted between December 1 and March 31 because of deer/elk wintering habitat.

2. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location.

3. Production pits will be closed according to the Unlined Surface Impoundment Closure Guidelines, as approved in the Environmental Assessment of December 1993. Any oil stained soils may be remediated on-site according to these guidelines or disposed of in an approved disposal facility.

4. The well pad will be shaped to the natural terrain and left as rough as possible. All compacted areas and areas devoid of vegetation shall be ripped to a minimum of 12" before seeding.

5. Access roads will be shaped to conform to the natural terrain and left as rough as possible to detour vehicular travel. Access will be ripped to a minimum of 12" in depth and waterbarred prior to seeding. All erosion problems created by the development must be corrected prior to acceptance of release. Waterbars should be spaced as shown below:

% Slopes	Spacing Interval
Less than 20%	200'
2 to 5%	150'
6 to 9%	100'
10 to 15%	50'
Greater than 15%	30'

All water bars should divert to the downhill side of the road.

6. All disturbed areas will be seeded between July 1 and September 15 with the prescribed certified seed mix (reseeding may be required).

7. Notify Surfacing Managing Agency seven (7) days prior to seeding so that they may be present for that option.

8. The period of liability under the bond of record will not be terminated until the lease is inspected and the surface rehabilitation approved.

Other SMA's may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMA's. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMA's should be brought to us.

On private land, we should be provided with a letter from the fee owner stating that the surface restoration is satisfactory.

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401

Attachment to notice of Intention to Abandon:

Re: Permanent Abandonment

Well: 300 Mudge 2

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. Mike Flanikan with the Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907
3. The following modifications to your plugging program are to be made:
 - a) Place the Dakota plug from 5816' - 5716'.
 - b) Place the Gallup plug from 4833' - 4733'.
 - c) place the Pictured Cliffs plug from 1290' - 1190' inside and outside the 4 1/2" casing.
 - d) Place the Fruitland plug from 1026' to 926' inside and outside the 4 1/2" casing.
 - e) Place the surface plug from 568' to surface inside and outside the 4 1/2" casing to cover the shoe, Ojo Alamo interval and the surface.

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

GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON DISTRICT 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 Farmington District office, *Branch of Drilling & Production*.

1.2 Requirements may be added to address specific well conditions.

2.0 Materials used must be accurately measured.

3.0 A tank or approved pit must be used for containment of any fluids from the wellbore during plugging operations and all unattended 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 constituent(s) of concern.

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.

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: (1) tagging with the work string, or: (2) for cased holes only; pressuring to a minimum surface pressure of 500 PSI, with no more than a 10% drop during a 15-minute period.

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.

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.

6.0 All wells are to be controlled by means of a wellbore fluid that is to be of a weight and consistency necessary to stabilize the wellbore. Wellbore 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 District Manager, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. 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.

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.