

Well Name: CANDADO

Well Location: T26N / R7W / SEC 4 /
NWNW / 36.519257 / -107.585815County or Parish/State: RIO
ARRIBA / NM

Well Number: 13

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

Lease Number: NMSF079161

Unit or CA Name:

Unit or CA Number:

US Well Number: 300390674400S1

Well Status: Gas Well Shut In

Operator: EPIC ENERGY LLC

Notice of Intent

Type of Submission: Notice of Intent

Type of Action Plug and Abandonment

Date Sundry Submitted: 05/04/2021

Time Sundry Submitted: 10:39

Date proposed operation will begin: 05/14/2021

Procedure Description:

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Candado_013_BLM_Submital_P_A_20210504103836.pdf

Conditions of Approval

Specialist Review

General_Requirement_PxA_20210805084348.pdf

2159983_NOIA_CANDADO_13_3003906744_KR_08042021_20210805084341.pdf

Additional Reviews

26N07W04DKpc_Candado_13_20210810093449.pdf

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NWNW / 36.519257 / -107.585815

County or Parish/State: RIO
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Well Number: 13

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

Lease Number: NMSF079161

Unit or CA Name:

Unit or CA Number:

US Well Number: 300390674400S1

Well Status: Gas Well Shut In

Operator: EPIC ENERGY LLC

Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: VANESSA FIELDS

Signed on: MAY 04, 2021 10:32 AM

Name: EPIC ENERGY LLC

Title: Regulatory Manager

Street Address: 7415 EAST MAIN STREET

City: FARMINGTON **State:** NM

Phone: (505) 327-4892

Email address: VANESSA@WALSHENG.NET

Field Representative

Representative Name: VANESSA FIELDS

Street Address: 7415 EAST MAIN STREET

City: FARMINGTON **State:** NM

Zip: 87402

Phone: (150)578-7910

Email address: vanessa@walsheng.net

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK

BLM POC Phone: 9708783846

Disposition: Approved

Signature: Kenneth Rennick

BLM POC Title: Petroleum Engineer

BLM POC Email Address: krennick@blm.gov

Disposition Date: 08/10/2021

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 re-enter an
abandoned well. Use form 3160-3 (APD) for such proposals.*

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

5. Lease Serial No.
NMSF079161

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
CANDADO 013

2. Name of Operator
EPIC ENERGY LLC

Contact: VANESSA K FIELDS
E-Mail: vanessa@walsheng.net

9. API Well No.
30-039-06744

3a. Address
7415 EAST MAIN STREET
FARMINGTON, NM 87402

3b. Phone No. (include area code)
Ph: 505-327-4892
Fx: 505-327-9834

10. Field and Pool or Exploratory Area
BLANCO PC SOUTH

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

Sec 4 T26N R07W 990FNL 990FWL
36.519432 N Lat, 107.586463 W Lon

11. County or Parish, State
SANDOVAL 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 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.

Please find attached plans to Plug and Abaddon the Candado #013. P&A procedure and reclamation plan attached.

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

Electronic Submission #530913 verified by the BLM Well Information System
For EPIC ENERGY LLC, sent to the Farmington

Name (Printed/Typed) VANESSA K FIELDS

Title REGULATORY MANAGER

Signature (Electronic Submission)

Date 09/21/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE 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 those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office _____

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)

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

P&A Procedure
EPIC Energy – Candado #13
API: 30-039-06774

South Blanco Pictured Cliffs
990' FNL & 990' FWL, Section 4, T26N, R7W
Rio Arriba County, New Mexico

Plug & Abandonment Procedure:

Note: All cement volumes use 100% excess outside casing and 50' excess inside pipe. Stabilizing wellbore fluid will be 8.33 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Class B neat 1.18 ft³/sk or equivalent. Cement calculation based on 5-1/2" 15.5# casing. If casing pressure tests tagging plugs will not be required. Procedure designed from calculated TOC behind 5-1/2" at 1769'

1. **Plug #1, 2758' - 2938' (Pictured Cliffs Top: 2851', OH Producing Interval: 2858' – 2938'),** RIH & set CICR at 2808' (note 5-1/2" casing shoe at 2858'). Pressure test tubing prior to pumping cement to 1000 psi. Mix and pump 26 sx (30.7 cf) of Class B (or similar) cement below retainer to fill up open hole section. Sting out of retainer, leaving 50' of cement on top of retainer. Pull up and circulate hole clean w/ fresh water. Pressure test casing to 500 psi. Run CBL f' 2758' to surface. Note: calculated TOH at 1769'. Confirm CBL results with BLM.
2. **Plug #2, 2480' – 2630' (Fruitland Top: 2580'):** Mix and spot 17 sxs (20 cf) Class B cement in a balanced plug inside casing to cover Fruitland top. If pressure test failed, PUH & WOC, then TIH to confirm top and re-spot if necessary. Otherwise, proceed to plug #3.
3. **Plug #3, 2020' – 2266' (Kirtland Top: 2216', Ojo Alamo Top: 2120'):** Mix and spot 28 sxs (33 cf) Class B cement in a balanced plug inside casing to cover Kirtland and Ojo Alamo tops. Note: review CBL with BLM to see if outside plug is needed and/or if pressure test failed, PUH & WOC, then TIH to confirm top and re-spot if necessary. Otherwise, proceed to surface plug #4.
4. **(9-5/8" Surface casing shoe, 125' to Surface):** Note – circulated cement on primary surface casing cement job. Based on CBL determine if holes need to be shot in 5-1/2" casing then attempt to circulate out BH. Mix and pump ~ 50 sx (47.6 cf) of cement for surface plug, top off as necessary.
5. ND BOP and cut off wellhead below surface casing flange, top off casing and annulus as necessary. Install P&A marker and cut off and/or remove anchors. RD, MOL - Restore location per the BLM approved reclamation plan.

EPIC Energy, LLC

Candado #13

South Blanco Pictured Cliffs

990' FNL & 990' FWL, Section 4, T26N, R7W, Rio Arriba County, NM

API #30-039-06774

Date: 6/22/2020

Surface - Nacimiento

Elevation: 6678' GL

Hole Size: 12-1/4"

KB: 10'

9-5/8", 32#, Casing set @ 98' KB

Cement w/ 75 sxs, circulated 5 bbls cmt to surf

TOC Calc: 1769'

Ojo Alamo @ 2120'

Kirtland @ 2216'

Plug #3 1998' - 2250'

Fruitland @ 2580'

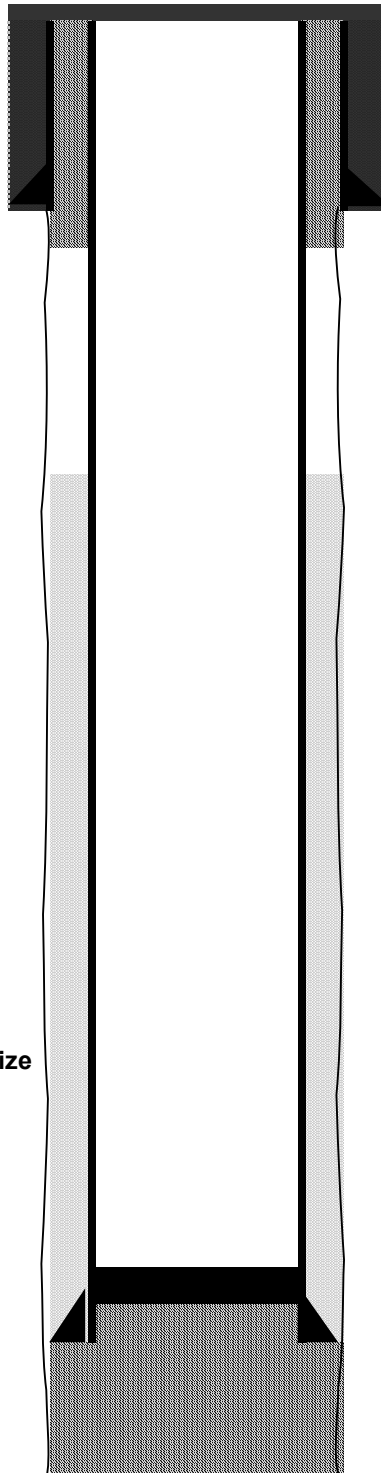
Hole Size
7-7/8"

Pictured Cliffs @ 2851'

Pictured Cliffs Producing interval: 2858' - 2938'

5-1/2", 15.5# casing set @ 2858'

Cement w/ 100 sx



TD: 2938'

Good circulation throughout cement job

EPIC Energy, LLC

Candado #13

Proposed P&A

South Blanco Pictured Cliffs

990' FNL & 990' FWL, Section 4, T26N, R7W, Rio Arriba County, NM

API #30-039-06774

Date: 6/22/2020

Surface - Nacimiento

Elevation: 6678' GL

Hole Size: 12-1/4" KB: 10'
9-5/8", 32#, Casing set @ 98' KB
Cement w/ 75 sxs, circulated 5 bbls cmt to surf

Plug #4: 125' - Surface
Class B cement, 50 sxs (47.6 cf)

TOC Calc: 1769'

Ojo Alamo @ 2120'

Plug #3: 2020' - 2266'
Class B cement, 28 sxs (33 cf)

Kirtland @ 2216'

Plug #3 1998' - 2250'

Fruitland @ 2580'

Hole Size
7-7/8"

Plug #2: 2480' - 2630'
Class B cement, 17 sxs (20 cf)

Pictured Cliffs @ 2851'

Plug #1: 2758' - 2938'
Class B cement, 26 sxs (30.7 cf)
Set CICR at 2808'

Pictured Cliffs Producing interval: 2858' - 2938'

5-1/2", 15.5# casing set @ 2858'
Cement w/ 100 sx
Good circulation throughout cement job

TD: 2938'

**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.

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: Candado 13

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) Bring the top of Plug #3 (or an additional plug) up to 1966 ft. to cover the Ojo Alamo top. BLM picks top of Ojo Alamo at 2066 ft.
 - b) Add an additional plug to cover a minimum of 50 ft. below and above the top of the Nacimiento formation at 685 ft. This may be an inside/ outside plug or balance plug depending on the CBL results.
 - c) Bring the bottom of the surface plug down to 300 ft. Perforate also at 300 ft. to circulate cement to surface. If CBL shows top of cement above 300 ft., then perforate at the deepest location to ensure cement on the backside does circulate to surface.

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.

K. Rennick 8/4/2021

BLM FLUID MINERALS Geologic Report

Date Completed: 7/23/2021

Well No. Candado #13 (API# 30-039-06744)			Location	990	FNL	&	990	FWL
Lease No. NMSF-079161			Sec. 04	T26N			R07W	
Operator Epic Energy, LLC			County	Rio Arriba		State	New Mexico	
Total Depth 2938'		PBTD	Formation Pictured Cliffs					
Elevation (GL) 6678'			Elevation (KB) 6688'					

Geologic Formations	Est. Top	Est. Bottom	Log Top	Log Bottom	Remarks
San Jose Fm	Surface	685			Surface/Fresh water sands
Nacimiento Fm	685	2066			Fresh water sands
Ojo Alamo Ss	2066	2216			Aquifer (fresh water)
Kirtland Shale	2216	2580			
Fruitland Fm	2580	2851			Coal/Gas/Possible water
Pictured Cliffs Ss	2851	TD			Gas
Lewis Shale					
Chacra					
Cliff House Ss					Water/Possible gas
Menefee Fm					Coal/Ss/Water/Possible O&G
Point Lookout Ss					Probable water/Possible O&G
Mancos Shale					
Gallup					O&G/Water
Greenhorn					
Graneros Shale					
Dakota Ss					O&G/Water
Morrison					

Remarks:

P & A

- BLM formation top estimates for the Nacimiento and Ojo Alamo formation vary from Operator submissions.
- TOC was calculated by operator @ 1769'; a CBL is included as part of the P&A proposal.
- Bring the top of Plug #3 up to 1966', or pump an additional plug, to cover BLM estimate for the Ojo Alamo top @ 2066'.
- Add an inside/outside plug or balanced plug (depending on CBL results) to cover the BLM estimate for the Nacimiento formation top @ 685'.
- Recommend bringing Surface plug bottom down to 300'.
- Log analysis of reference well #2 indicates the Nacimiento and Ojo Alamo sands investigated likely contain fresh water ($\leq 5,000$ ppm TDS). By adjusting the plugs as described above, freshwater sands in this well bore will be protected.
- Pictured Cliffs open hole interval from 2858' - 2938'.

Reference Well:

1) Epic Energy, LLC Fm. Tops
Candado #22A
1190' FNL, 790' FWL
Sec. 4, T26N, R07W
GL 6651'

2) Cross Timbers Energy Water
Federal 8 #22 Analysis
1650' FNL, 1650' FWL
Sec. 8, T26N, R07W
GL 6073', KB 6085'

Prepared by: Chris Wenman

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 43513

COMMENTS

Operator: EPIC ENERGY, L.L.C. 332 Road 3100 Aztec, NM 87410	OGRID: 372834
	Action Number: 43513
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

COMMENTS

Created By	Comment	Comment Date
kpickford	KP GEO Review 8/23/2021	8/23/2021

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 43513

CONDITIONS

Operator: EPIC ENERGY, L.L.C. 332 Road 3100 Aztec, NM 87410	OGRID: 372834
	Action Number: 43513
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	8/23/2021
kpickford	CBL required	8/23/2021