Form 3160-5 (June 2019)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED	
OMB No. 1004-0137	
Expires: October 31, 20	2

BUREAU OF LAND MANAGEMENT			5. Lease Serial No.	5. Lease Serial No.		
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.			6. If Indian, Allottee or	6. If Indian, Allottee or Tribe Name		
SUBMIT IN 1	TRIPLICATE - Other instructions on pag	7. If Unit of CA/Agree	7. If Unit of CA/Agreement, Name and/or No.			
1. Type of Well			8. Well Name and No.	8. Well Name and No.		
Oil Well Gas Well Other 2. Name of Operator			9. API Well No.			
	21 DI AV	<i>C.</i> 1.1. 1.)		Transportant Area		
3a. Address	. (include area code)	10. Field and Pool or E	exploratory Area			
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)			11. Country or Parish,	11. Country or Parish, State		
12. CHE	CK THE APPROPRIATE BOX(ES) TO IN	IDICATE NATURE OF NO	OTICE, REPORT OR OTH	ER DATA		
TYPE OF SUBMISSION		ACTION				
Notice of Intent	Acidize Dee	=	roduction (Start/Resume)	Water Shut-Off		
_		~ =	eclamation	Well Integrity		
Subsequent Report			ecomplete	Other		
Final Abandonment Notice			emporarily Abandon Vater Disposal			
is ready for final inspection.)						
14. I hereby certify that the foregoing is	Ti'd					
		Title				
Signature	- B	Date				
	THE SPACE FOR FED	ERAL OR STATE	OFICE USE Accept	ed for record – NMOCD gc6/6/2023		
Approved by		Title	Е	D ate		
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.						
Title 18 U.S.C Section 1001 and Title 43	3 U.S.C Section 1212, make it a crime for a	any person knowingly and	willfully to make to any dej	partment or agency of the United States		

any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

(Form 3160-5, page 2)

Additional Information

Location of Well

 $0. \ SHL: \ NENE \ / \ 660 \ FNL \ / \ 330 \ FEL \ / \ TWSP: \ 20S \ / \ RANGE: \ 34E \ / \ SECTION: \ 9 \ / \ LAT: \ 0.0 \ / \ LONG: \ 0.0 \ (\ TVD: \ 0 \ feet, \ MD: \ 0 \ feet)$ BHL: \ NENE \ / \ 660 \ FNL \ / \ 330 \ FEL \ / \ TWSP: \ 20S \ / \ SECTION: \ / \ LAT: \ 0.0 \ / \ LONG: \ 0.0 \ (\ TVD: \ 0 \ feet, \ MD: \ 0 \ feet)

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Sundry Print Report 01/17/2022

Well Name: FEDERAL SCJ FEDERAL

Well Location: T20S / R34E / SEC 9 /

County or Parish/State: LEA / NM

NENE /

Well Number: 01

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC064194

Unit or CA Name:

Unit or CA Number:

US Well Number: 3002531717

Well Status: Producing Oil Well

Operator: READ & STEVENS

INCORPORATED

Notice of Intent

Sundry ID: 2650036

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 12/22/2021

Time Sundry Submitted: 08:57

Date proposed operation will begin: 01/15/2022

Procedure Description: Set CIBP @ 5,600' w/10 sx Class C cmt. 50' plug. WOC and tag. Pump plug from 5,434' - 5,534'. Delaware top @ 5,484'. 25 sxs Class plug. WOC and tag. Pump plug from 3,130' - 3,230'. Base of salt @ 3,180'. 25 sxs Class plug. WOC and tag. Pump plug from 1,570' - 1,790'. Top of salt @ 1,740'. 30 sxs Class plug. WOC and tag. 400' cmt plug to surface. 35 sxs Class C cmt. Verify at surface.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Fed_SCJ_Plugging_Schematic_Current_20211222085540.pdf

Fed_SCJ_1_Plugging_Schematic_Proposed_20211222085519.pdf

Well Name: FEDERAL SCJ FEDERAL Well Location: T20S / R34E / SEC 9 /

NENE /

County or Parish/State: LEA /

Zip: 88260

Well Number: 01

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC064194

Unit or CA Name:

Unit or CA Number:

US Well Number: 3002531717

Well Status: Producing Oil Well

Operator: READ & STEVENS **INCORPORATED**

Conditions of Approval

Specialist Review

Federal_SCJ_Federal_01_Sundry_ID_2650036_P_A_20220115152617.pdf

State: NM

State: NM

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: KELLY BARAJAS Signed on: DEC 22, 2021 08:55 AM

Name: READ & STEVENS INCORPORATED

Title: Production & Regulatory Analyst

Street Address: 400 N. Pennsylvania, Suite 1000

Phone: (575) 624-3760

City: Roswell

Email address: kbarajas@read-stevens.com

Field Representative

Representative Name: Joe Tovar

Street Address: PO Box 1719

City: Lovington Phone: (575)390-2425

Email address: jtovar@read-stevens.com

BLM Point of Contact

Signature: Long Vo

BLM POC Name: LONG VO BLM POC Title: Petroleum Engineer

BLM POC Phone: 5752345972 BLM POC Email Address: LVO@BLM.GOV

Disposition: Approved Disposition Date: 01/15/2022

Prairie Chicken, Capitan Keet, Secretary Potash

PLUG AND ABANDONMENT **CONDITIONS OF APPROVAL**

OPERATOR'S NAME:

Read and Stevens Incorporated

LEASE NO.: | NMLC064194

WELL NAME & NO.: | Federal SCJ Federal 01

US Well Number: | 3002531717

LOCATION: | Section 9, T.20 S., R.34 E., NMPM

COUNTY: Lea County, New Mexico

Set CIBP @ 5,600' w/10 sx Class C cmt. 50' plug. WOC and tag. Lenk lest cos?

Pump plug from 5,434' - 5,534'. Delaware top @ 5,484'. 25 sxs Class plug. WOC and tag.

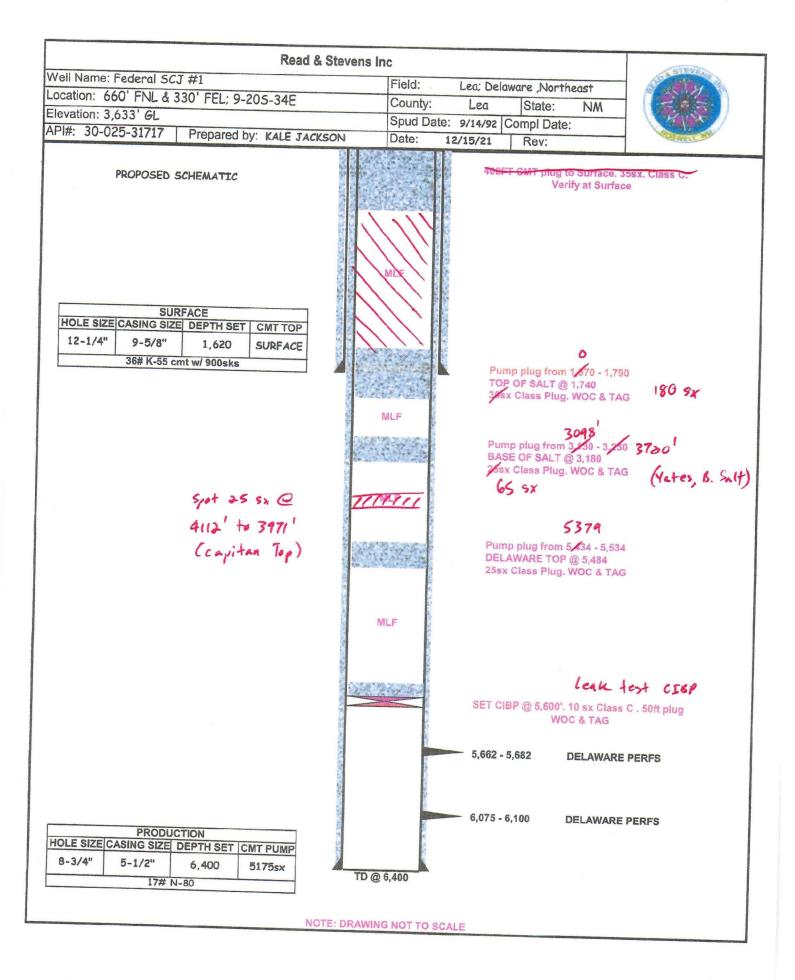
Pump plug from 3,130' - 3,230'. Base of salt @ 3,180'. 28 sxs Class plug. WOC and tag. (3720' +6 3098') 65 \$2 Pump plug from 1,570' - 1,790'. Top of salt @ 1,740'. 30 sxs Class plug. WOC and tag. 180 sx

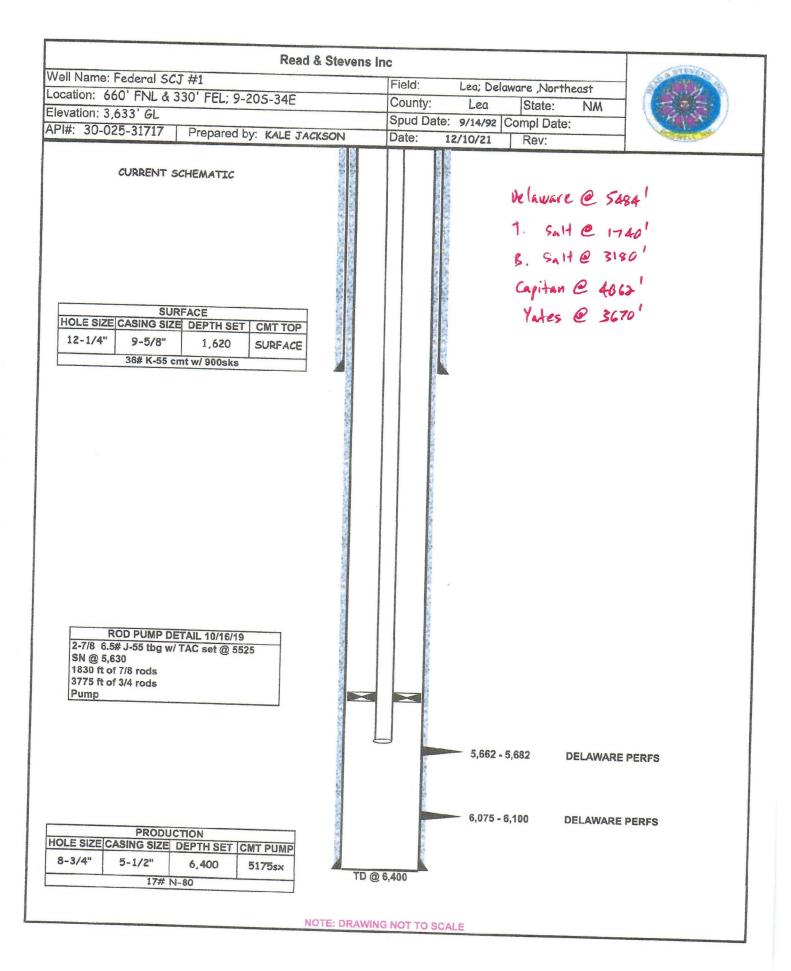
400' cmt plug to surface. 35 sxs Class C cmt. Verify at surface.

Approval Subject to General Requirements and Special Stipulations Attached

- No more than 3000 feet between cement plugs in cased hole.
- Wait on Cement and Tag Top of Cement Requirement:
 - 1. Shoe, Top of Salt, Base of Salt, DV tool, Perforate and Squeeze, Open Perforation.
 - 2. Formation plug is optional if a solid base is established and confirmed.

Spot 25 Sx @ 4112 to 3971' (Capitan)





BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Permanent Abandonment of Federal Wells Conditions of Approval (LPC Habitat)

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

- 2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.
- 3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.
- 5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off. Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

- 7. <u>Subsequent Plugging Reporting:</u> Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**
- 8. <u>Trash:</u> All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

<u>Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:</u>
From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its predisturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of
 Operations must include adequate measures for stabilization and reclamation of disturbed lands.
 Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD
 process as per Onshore Oil and Gas Order No. 1.
- 2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
- 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos Supervisory Petroleum Engineering Tech 575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias Environmental Protection Specialist 575-234-6230

Crisha Morgan Environmental Protection Specialist 575-234-5987

Melissa Horn Environmental Protection Specialist 575-234-595]

Kelsey Wade Environmental Protection Specialist 575-234-2220

Trishia Bad Bear, Hobbs Field Station Natural Resource Specialist 575-393-3612

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

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 224367

CONDITIONS

Operator:	OGRID:	
READ & STEVENS INC	18917	
1001 17th Street, Suite 1800	Action Number:	
Denver, CO 80202	224367	
	Action Type:	
	[C-103] NOI Plug & Abandon (C-103F)	

CONDITIONS

Created By		Condition Date
gcordero	None	6/6/2023