

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
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Melanie A. Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert Chang
Division Director
Oil Conservation Division



BY ELECTRONIC MAIL

December 4, 2025

Austin Tramell
Director Environmental & Regulatory
3R Operating
atramell@3ROperating.com

Re: 3R Operating's Request to Plug and Abandon Wells

Dear Mr. Tramell:

The Oil Conservation Division ("OCD") received your email requesting permission for 3R Operating ("3R") to plug and abandon the following wells: East Red Lake Unit #002 (API 30-015-01303) and East Red Lake Unit #004 (API 30-015-10200).

Sellers & Fulton Oil, LLC is the registered operator ("Operator") of this well, and OCD consents to 3R's request to plug, abandon, and remediate the aforementioned well.

On or about November 21, 2024, a hearing was conducted regarding Operator's Notice of Violation, including Operator's violations of 19.15.25.8 NMAC. Operator was ordered to plug and abandon 36 wells, including the High Lonesome Penrose Unit No. 8 well. Order R-23566 is incorporated by reference herein as though set forth in full. Despite proper notice from OCD, Operator remained out of compliance with Order R-23566 and failed to plug and abandon the wells within 30 days. Pursuant to that Order, OCD is authorized to plug and abandon certain wells, including the East Red Lake Unit #002 and #004 wells. OCD hereby authorizes 3R to plug, abandon, and remediate the above-identified well(s) on OCD's behalf.

Please contact Michael Hall, Assistant General Counsel, at Michael.Hall@emnrd.nm.gov with questions, including the submission of plugging sundries, as OCD will not be transferring operatorship to 3R and will need to insert the plugging sundries into the wellfiles. **This letter must be submitted with the**

C-103F and C-103P filings submitted to OCD regarding the plugging of the well(s) covered by this Authorization.

Regards,



Albert Chang
Division Director
Oil Conservation Division
Albert.Chang@emnrd.nm.gov

12/4/2025

Date

Submit a Copy To Appropriate District Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-015-01303 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No.
2. Name of Operator SELLERS & FULTON OIL, LLC.		7. Lease Name or Unit Agreement Name EAST RED LAKE UNIT
3. Address of Operator 422 W. MAIN, SUITE 5, ARTESIA, NM 88210		8. Well Number 002
4. Well Location Unit Letter A : 330 feet from the NORTH line and 330 feet from the EAST line Section 02 Township 17S Range 28E NMPM EDDY County		9. OGRID Number 371978
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		10. Pool name or Wildcat RED LAKE QUEEN/GRBG.; EAST

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A
 CASING/CEMENT JOB ☐

OTHER:

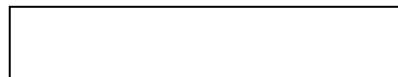
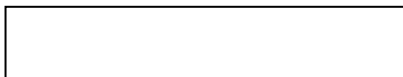
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

THIS IS AN ORPHANED WELL

3R OPERATING, LLC RESPECTFULLY SUBMITS THIS NOTICE OF INTENT TO PLUG AND ABANDON AT THE REQUEST OF THE NEW MEXICO STATE LAND OFFICE.

- 1) SET 5-1/2" CIBP @ 1,550'; CIRC. WELL W/ M.L.F.; PRES. TEST CSG. TO 500# X HOLD FOR 30 MINS.; RUN CBL.
- 2) PUMP (35) SXS. CLASS "C" CMT. @ 1,550'-1,170' (T/QN.); WOC X TAG TOC.
- 3) PERF. X ATTEMPT TO SQZ. (55) SXS. CLASS "C" CMT. @ 521'-375' (8-5/8" CSG.SHOE, B/T ANHY., B/SALT); TAG.
- 4) PERF. X CIRC. TO SURF., FILLING ALL ANNULI, (65) SXS. CLASS "C" CMT. @ 165'-3' (T/SALT).
- 5) DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; VERIFY CMT. TO SURF. ON ALL ANNULI; WELD ON STEEL PLATE TO CSGS. X INSTALL DRY HOLE MARKER.

DURING THIS PROCEDURE WE PLAN TO USE A CLOSED-LOOP SYSTEM WITH A STEEL TANK AND HAUL CONTENTS TO THE REQUIRED DISPOSAL, PER OCD RULE 19.15.17.



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE David A. Eyler TITLE: AGENT DATE: 05/28/2025

Type or print name: DAVID A. EYLER E-mail address: DEYLER@MILAGRO-RES.COM PHONE: 432.687.3033

For State Use Only

APPROVED BY: _____ TITLE: _____ DATE: _____

Conditions of Approval (if any):

CURRENT
PLUGGING & ABANDONMENT WORKSHEET

30-015-01303

OPERATOR SELLERS & FULTON OIL, LLC

LEASENAME EAST RED LAKE UNIT

WELL # 002

SECT 02 TWN 17S RNG 28E

FROM A 330 NSL 330 EWL

TD: 1,639' FORMATION @ TD

PBSD: FORMATION @ PBSD

8-5/8"
@ 471'
TOC SURF.
w/ 50 SXS.

1,588'-1,604'
5-1/2"
@ 1,636'
TOC 875-C
w/ 100 SXS.

TD 1,639'

DAE 05/28/2025

PROPOSED PLUGGING & ABANDONMENT WORKSHEET

30-015-01303

OPERATOR SELLERS & FULTON OIL, LLCLEASENAME EAST RED LAKE UNITWELL # 002SECT 02 TWN 17S RNG 28EFROM A 330 NSL 330 EWLTD: 1,639'

FORMATION @ TD

PBD: _____

FORMATION @ PBD

PERF. X CIRC. (6S) SXS @ 165'-3'

PERF. X SQZ. (5S) SXS @ 521'-375' ~ TAG.

PUMP (5S) SXS @ 1,550'-1,170' ~ TAG

SET 5-1/2" CIBP @ 1,550'

1,588'-1,604'
5-1/2"
@ 1,636'
TOC 875'-C
w/ 100 SXS.

TD 1,639'

T/SALT ~ 115'
B/SALT ~ 425'
T/ANHY ~ 425'
B/ANHY ~ 4220'
T/QN. ~ 1,350'

D&E 05/28/2025

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 537066

CONDITIONS

Operator: 3R Operating, LLC 20405 State Highway 249 Houston, TX 77070	OGRID: 331569
	Action Number: 537066
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
loren.diede	Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations.	12/30/2025
loren.diede	NMOCD does not consider this well to be within the LPCH restricted area and an above ground marker is required.	12/30/2025
loren.diede	Submit photo and GPS coordinates of the P&A marker with the final subsequent P&A C-103P. The API# on the marker must be clearly legible.	12/30/2025