Form 3160-5 (March 2012) DEF	UNITED STATE PARTMENT OF THE I	S NTERIOR	OCD HO	bbs	01	DRM APPROVED MB No. 1004-0137 ires: October 31, 2014
BUR	EAU OF LAND MAN	AGEMENT	. 11	5012	5. Lease Serial No. NM01135	
SUNDRY N Do not use this f abandoned well.	UNITED STATE PARTMENT OF THE I EAU OF LAND MAN OTICES AND REPO Form for proposals to Use Form 3160-3 (Au T IN TRIPLICATE – Other	RTS ON WI o drill or to PD) for suci	ELL§ ^{EX} re-enter an h propos a t	SEIVED	6. If Indian, Allottee or 7	Tribe Name
SUBMI 1. Type of Well	T IN TRIPLICATE – Other	instructions on	page 2.		7. If Unit of CA/Agreem	nent, Name and/or No.
Oil Well Gas W	Vell 🗹 Other				8. Well Name and No. PLAINS FEDERAL #7	
2. Name of Operator SHACKELFORD OIL CO	/				9. API Well No. 3002520770	
3a. Address 203 W WALL ST STE 200 MIDLAND TX 79701		3b. Phone No. <i>(</i> 1 432-682-9784	include area cod		10. Field and Pool or Ex LUSK	ploratory Area
4. Location of Well (Footage, Sec., T., 1 T-19-S R32E SEC 33 660 FNL & 760 FWL	R.,M. for Survey Description)				11. County or Parish, Sta LEA, NM	ate
12. CHEC	K THE APPROPRIATE BO	X(ES) TO INDIO	CATE NATURE	E OF NOTIC	E, REPORT OR OTHEF	R DATA
TYPE OF SUBMISSION			TY	PE OF ACTI	ON	
✓ Notice of Intent	Acidize	Deepen	n e Treat	_	ction (Start/Resume) mation	Water Shut-Off Well Integrity
Subsequent Report	Casing Repair		onstruction Id Abandon	_	nplete orarily Abandon	Other
Final Abandonment Notice	Convert to Injection	Plug Ba	зсk	Water	Disposal	
						ION PROCEDURE
		SEE ATTACH	IED		TA	TACHED
			·		SEE ATTACHE CONDITIONS	D FOR OF APPROVAL
14. Thereby certify that the foregoing is the Margue			Title Open	ation	Marger	
Signature AB	·····	E	Date 7/15	-/13		
0	THIS SPACE F	OR FEDER	AL OR ST	TE OFF	ICE USE	
Approved by	Q. Com	a	Title	SEF	15 Date	9.5.13
Conditions of approvel, if any, are attached, that the applicant holds legal or equitable tit entitle the applicant to conduct operations th	le to those rights in the subject nereon.	lease which would	d Office	FD		
Title 18 U.S. Section 1001 and Title 43 U fictitious or fraudulent statements or repres			on knowingly and	d willfully to	make to any department or	agency of the United States any false,
(Instructions on page 2)	MSB/C	CD 9/13	2013		SEP 1	220 N

Proposed Procedures to Plug and Abandon

Plains Federal #7

1. GIH w/8 5/8" packer set at 900' and establish rate

2. Pump 300 sxs of lite cement and follow with 750 sxs of Class C cement at 2 bbls per minute wait on cement. POOH w/packer

3. GIH and tag top of cement

4. Perforate casing at 840' establish rate and circulate cement to surface outside and inside

5. Cut wellhead and install marker

Attachments:

1. Current schematic as of 6/27/13

2. Calculation of Cement Volumes

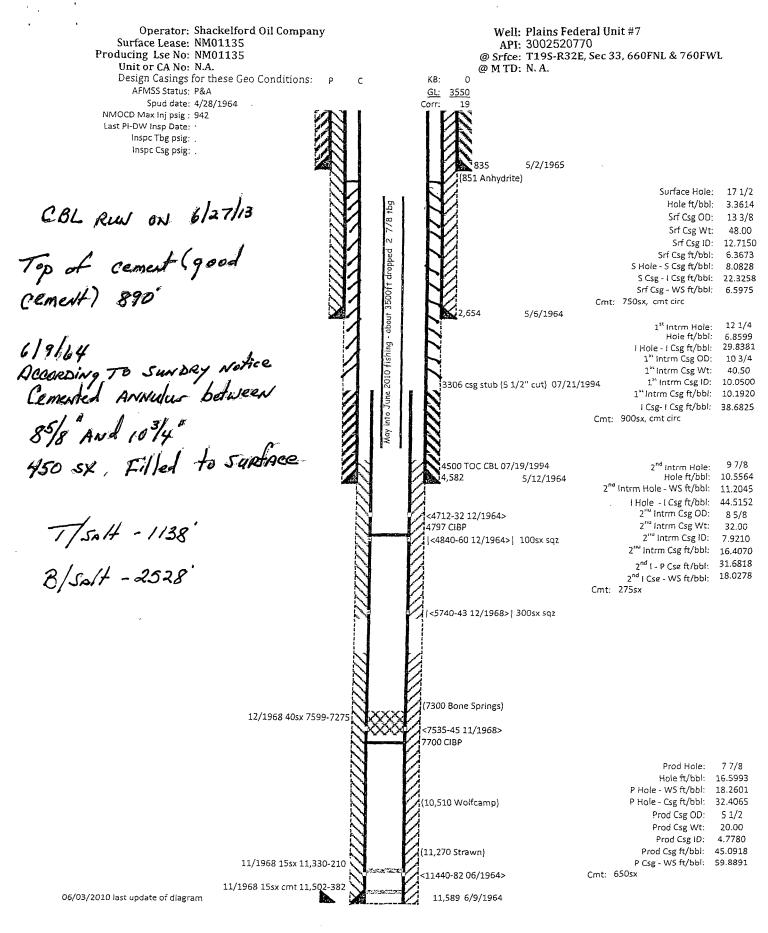
a. 8 5/8" casing volume

b. 5 1/2" casing volume

c. 8 5/8"-5 1/2" annulus

3. Sundry Notice date 6/6/64

4. Cement Bond Log on 6/27/13



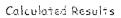
C:\TMP\Personal_WellBore Records - Post Drlg\05.26.2010 had rig 193233 WDW Plains-007 3002520770 1 of 1 6/3/2010 NM01135 Shackelford\193233 WDW Plains-7 3002520770 NM01135 Shackelford (3.7

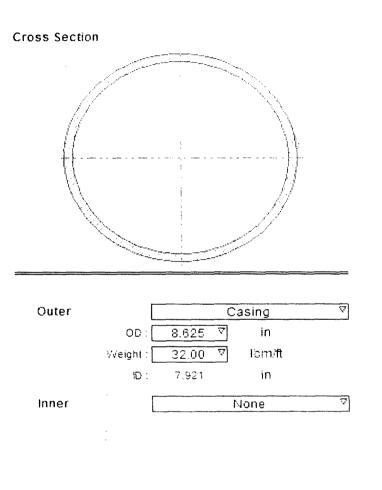
1011 075/20

Calculation of Cement Volume		
1. 8 5/8" casing 900'-3306'= 240)6 ft	
Exhibit A ft3		823.347 ft ³
2. 5 1/2" casing 3306'-4732'=	1426 ft	
Exhibit B ft3		177.558 ft ³
3. Annulus 8 5/8" 5 1/2" 3306'-4500'	1194 ft	
Exhibit C ft3		211.598 ft ³
· · · · · ·		1212.503 ft ³
Excess 20%		242.00
Total		<u>1454.503 ft³</u>
	J	
300 sxs Lite Cement	1.60 ft3/sx	480.0 ft3
<u>727.23</u> sxs Class C	1.34 ft3/sx	974.50ft3
1027.22		

<u>1027.23 sxs</u>

Exhibit A





Annular Volume Calculator

Volume for Unit Length	
Ansular :	bol/ft
Tubular 0.060949!	bolift
Metal Displacement of Outer	
Gpen : 0.011315!	bol/ft
Plugged : 0.072265	filled
Metal Displacement of Inner	
Open :	bbl/ft
Plugged :	bbl/ft

Volume for Given Depth		
Depth : 2406	ft	¥
Annular :		
Tubular : 823.347	ft3	¥
Depth for Given Volume		•
Volume : 28.0729	— ft3	
Annular	ft ft	
Tutular 82.0351	— ft	

i-Handbook* - - *a mark of Schlumberger



i-Handbook* - *a mark of Schlumberger

1.

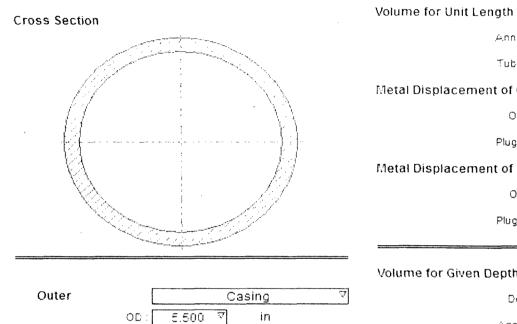
÷.

,

1

Calculated Results

Annular Volume Colculator



20.00 7

4.778

lbm/ft

in

None

Weight :

Ð

	- 9		
	Annular :	cbl/ft	
	Tubular: 8.0312	ft/ft3	
letal Displacemer	nt of Outer		
	Open : 0.007208(bbl/ft	
	Plugged : 0.029385(ppl/ft	
Aetal Displacemer	nt of Inner		
	Open :	bbl/ft	
	Plugged :	ft/lcc	
<u></u>			
/olume for Given D)epth		
	Depth : 1426	ft	*
	Annular :	ft3	
	Tubular : 177.558	ft3	¥

Depth for Given Volume

 ∇

Volume : 28.0729	ft3
Annular :	ft
Tubular : 225.459	ft

i-Handbook* - *a mark of Schlumberger

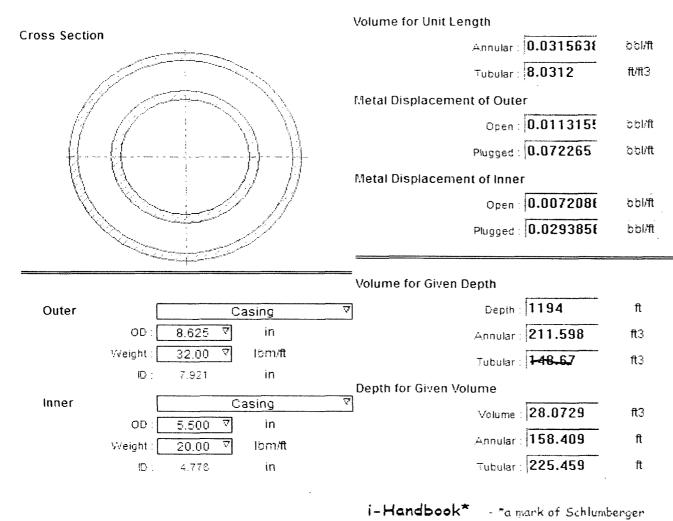
Inner

i-Handbook* - *a mark of Schlumberger

Exhibit C

Calculated Results

Annular Volume Calculator



i-Handbook* - *a

- *a mark of Schlumberger

Form '9-331	HAL TTD CTATEC	COPY 12 O		how.
(May 1963)	UN TD STATES DEPARTMEN OF THE INTERIOR	SUBMIT IN TRIPL 'E' (Other instructions reverse side)	Budget Bug	eau No. 42-R1424.
	GEOLOGICAL SURVEY	terse mater	IM 01195	
(Do not use	INDRY NOTICES AND REPORTS ON bis form for proposals to drill or to deepen or plug back to Use "APPLICATION FOR PERMIT—" for such proposal	WELLS a different reservoir.	6. IF INDIAN, ALLOTT	EE OR TEIRE NAME
1.		1	7. UNIT AGREEMENT N	(A ME
OIL GAS WELL WEL			8. FARM OB LEASE NAME	
2. NAME OF OPERATO		2 9 1964	S. FARM OR LEASE NA	.87 L
3. ADDRESS OF OPERA			9. WELL NO.	
Deer 68 -	Hobbon Hor Morizon ~ 88240	SURVES.	10. PIBLD AND POOL,	DO WELDOAM
4. LOCATION OF WELL See also space 17 At surface	(neport location clearly and in accordance with any State 1 below.)	₩₩11C4KIHBATALA	Luck Straws	
the most	a stand man and the foreign as the		11. SEC., T., B., M., OB SUBVET OR ARE	OLT. AND
Scor Mel	& 760' Fill, Sec. 33, (Unit D, Na/4	an/4j	II-15-II MAPA	
14. PERMIT NO.	15. ELEVATIONS (Show whether DF. BT. GB.	etc.)	12. COUNTY OB PARIS	13. STATE
	3569° BD3		100	How Mond a
TD 110507	°. On 6-9-64, 5-1/2" OD 15.5-20/ J 1th 200 an ocuant. Annulue botwarn	-55 – N-80 cauing 8-5/8° and 10-3/	, who this and c '4° orading, wit	nak ak Na matal
-	PBD 11,520°. Perforated interval I	casing with 2500 1,04401-4521 U/2	SFT. Achilocol	l
yodal osz (ilomeni) Tost CI. W/2000 ga On FT vuli	per an. Filled to surface. Tosted PBD 11,520°. Forfersted interval J 1 MCA. Re-acidined W/10,000 gallons 1 Eleved 347 B0 on 14/64° choke in 2	easing with 2900 11,640°-462° 5/2 1 LATHI, 9000 Gal	SFT, Ackilled Loas pylaried	معلم
yodal osz (ilomeni) Tost CI. W/2000 ga On FT vuli	per an. Filled to surface. Tosted PBD 11,520°. Forfersted interval J L MCA. Re-acidized V/10,000 gallons	easing with 2900 11,640°-462° 5/2 1 LATHI, 9000 Gal	SFT, Ackilled Loas pylaried	معلم

SIGNED	the foregoing is true and corre- Original Signel Sys V. E. STALCY	Aron_Superinte	ideat	DATE
(This space for Fede	eral or State office use)			
APPROVED BY	PPROVAL, IF ANY:	TITLE		BOVED
	•	See Instructions on Reverse Side		N 29 1964 A. R. BRIOWN A. R. BRIOWN A. R. BRIOWN A. R. BRIOWN

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

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. <u>Dry Hole Marker</u>: 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.

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

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. <u>Show date well was plugged.</u>

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 procedure.

J. Amos 3/6/11

Requirements for ground level dry hole markers <u>Well Identification Markers</u> Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

- 1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.
- 2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum ¼ inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.
- 3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.
- 4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.
 - a. First row: Operators name
 - b. Second row: Well name and number
 - c. Third row: Legal location to include ¹/₄ ¹/₄, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the ¹/₄ ¹/₄ (example: 1980 FNL 1980 FWL) being on the top row.
 - d. Fourth row: Lease Number and API number.
 - i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required 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 ground level dry hole marker was installed as required in the COA's from the BLM.



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.
- 3. 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:

Inspection & Enforcement

. . . .

Jim Amos Supervisory Environmental Protection Specialist 575-234-5909, 575-361-2648 (Cell)

Mike Burton Environmental Protection Specialist 575-234-2226

Jeffery Robertson Natural Resource Specialist 575-234-2230

Jennifer Van Curen Environmental Protection Specialist 575-234-5905

Doug Hoag Civil Engineering Technician 575-234-5979

Linda Denniston Environmental Protection Specialist 575-234-5974

Solomon Hughes Natural Resource Specialist 575-234-5951

Permitting

Cody Layton Natural Resource Specialist 575-234-5959

Trishia Bad Bear Natural Resource Specialist 575-393-3612

Todd Suter Surface Protection Specialist 575-234-5987

Tanner Nygren Natural Resource Specialist 575-234-5975

Amanda Lynch Natural Resource Specialist 575-234-5922

Legion Brumley Environmental Protection Specialist 575-234-5957

Realty, Compliance Randy Pair Environmental Protection Specialist 575-234-6240