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Form 3160-5 (March 2012)	UNITED STAT DEPARTMENT OF THE BUREAU OF LAND MAN	INTERIOR	OCD HOBBS OCD	E	FORM APPROVED OMB No. 1004-0137 xpires: October 31, 2014	
Do not use	DRY NOTICES AND REP e this form for proposals well. Use Form 3160-3 (A	to drill or to re-e	enter an	,	or Tribe Name	
	SUBMIT IN TRIPLICATE - Othe	r instructions on page	e 2.	7. If Unit of CA/Agre	ement, Name and/or No.	
1. Type of Well Image: Construction of We				8. Well Name and No. JOHNS B #1		
2. Name of Operator	EGACY RESERVES OPERATIN	GLP		9. API Well No. 30-025-00827		
	BOX 10848	3b. Phone No. (inclue	DEADSALL OUEEN			
	AND, TX 79702 . <i>Sec., T.,R.,M., or Survey Descriptioj</i> TER B, SEC 35, T17S, R32E	(432) 689-5200		11. County or Parish, State LEA COUNTY, NM		
	2. CHECK THE APPROPRIATE B	OX(ES) TO INDICATI	E NATURE OF NOTIO	L CE, REPORT OR OTH	ER DATA	
TYPE OF SUBMISSION TYPE OF ACTION						
Notice of Intent	Acidize	Deepen Fracture Tre	=	uction (Start/Resume)	Water Shut-Off Well Integrity	
Subsequent Report	Casing Repair	New Constru	_	mplete	Other	
Final Abandonment Noti	ice Change Plans	Plug and Ab		porarily Abandon er Disposal		
 Estimated start date: 0 Notify appropriate ag MIRU plugging com Cement plug #1 (7" and dump 3 sx (20') RIH with 2-7/8" work Cement plug #2 (7" cement retainer on v at 1200'. Dig out bra with 150 sx Class "C of 2-7/8" work string 	gency 48 hrs. prior to commencin pany. Move in 3100' work string of casing): MIRU wireline unit. RIH vi cement on top of CIBP. POH with string and circulate hole above 3 casing): RU wireline unit. RIH with wireline and set at 1200'. POH an adenhead. Open surface casing a 2" cement to surface, leaving 125'	of 2-7/8" tubing. NU B with CIBP and set on h wireline. 3000' with plugging m th 3-1/8" slick gun and d RDMO wireline unit nd establish circulatic cement plug in 7" ca	rlsbad (575-234-597 OP. wireline at 3050'. PC ud (125 bbls). POH v d perf 7" casing with . RIH with stinger on n through cement ret sing from cement ret	 2) or NMOCD-Hobbs W with wireline. RIH with work string. 4 shots at 1325'. POI 2-7/8" work string ar tainer and out surfac 	with dump bailer on wireline H with wireline. RIH with Id sting into cement retainer e casing. Cement squeeze	
	adenhead. Weld steel cap over 8	-		above steel cap. Cle	ean location	
bround level DA	M Required	ATT	ON PROCEDURE ACHED	SEE ATTA	CHED FOR NS OF APPROVAL	
14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) CONDITIONO OF AN THOUGHT BLAIN LEWIS Title SENIOR ENGINEER						
Signature Rain Duis Date 11/25/2013						
	THIS SPACE	FOR FEDERAL		FICE USE		
Approved by	P P P P		Title SEP		Date 12-7-13	
Conditions of approval, if any, ar that the applicant folds legal or e entitle the applicant to conduct o	re attached. Approval of this notice do equitable title to those rights in the subj perations thereon.	es not warrant or certify	Office (FD			
	d Title 43 U.S.C. Section 1212, make it ts of representations as to any matter w		nowingly and willfully t	o make to any department	nt or agency of the United States any false	
(Instructions on page 2)		MSB /oci	12/12/2	.013	DEC 1 2 2013	



Estimated start date: 1/06/14

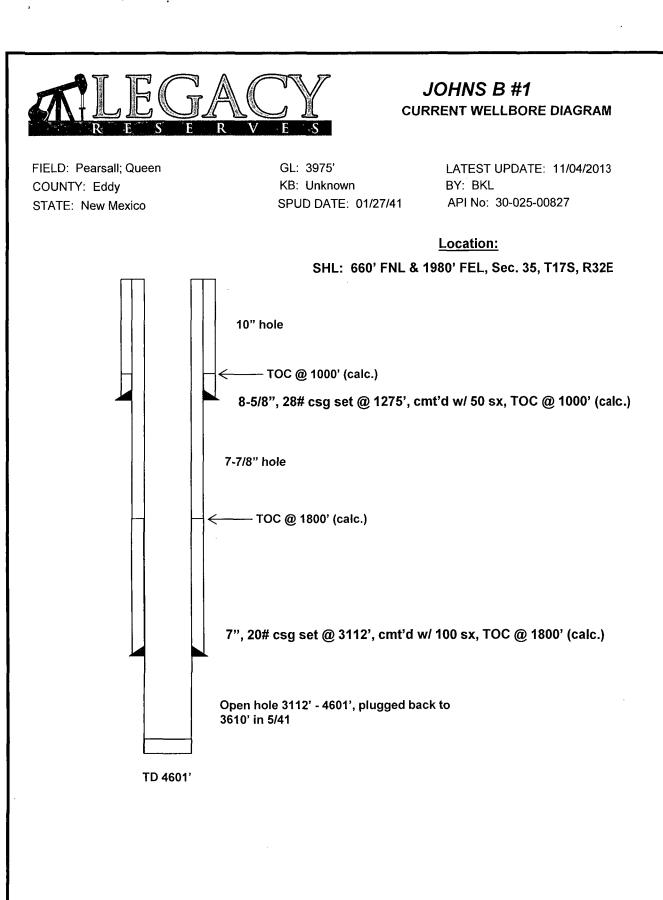
Well Info:

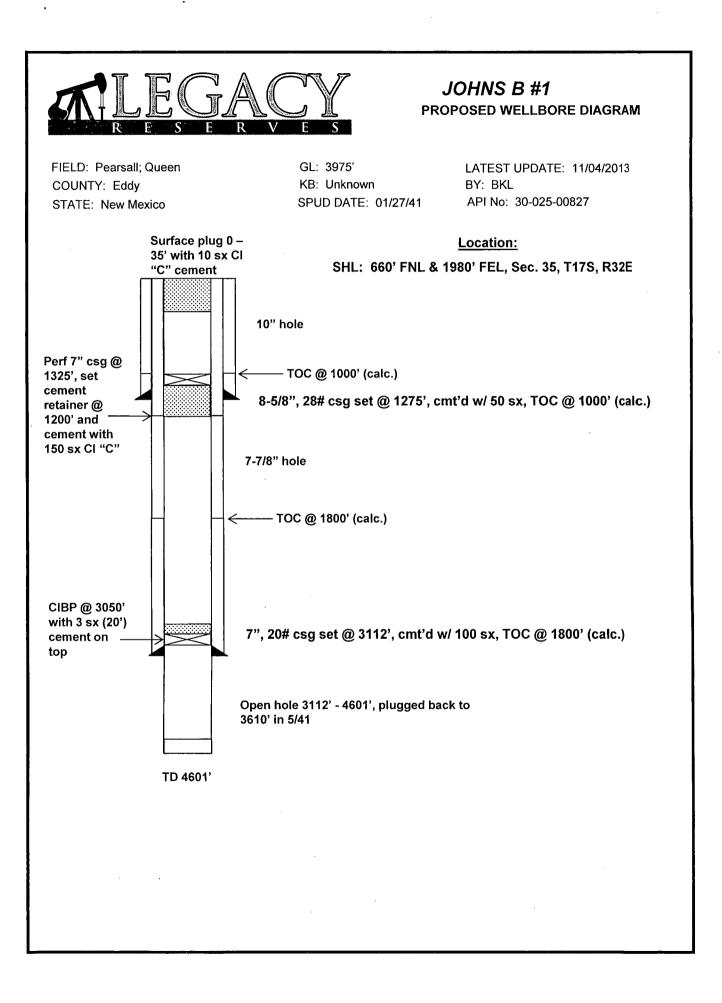
Spudded 1/27/1941 8-5/8", 28# surface casing set at 1275' (cemented with 50 sx, calculated top of cement 1000') TD 4601' 7", 20# casing set at 3112' (cemented with 100 sx, calculated top of cement 1800') Open hole: 3112' – 4601' (plugged back to 3610' in 5/41) PBTD 3610'

Procedure:

- 1. Notify appropriate agency 48 hrs. prior to commencing operation. (BLM-Carlsbad (575-234-5972) or NMOCD-Hobbs (575-393-6161)
- 2. MIRU plugging company. Move in 3100' work string of 2-7/8" tubing. NU BOP.
- 3. <u>Cement plug #1 (7" casing)</u>: MIRU wireline unit. RIH with CIBP and set on wireline at 3050'. POH with wireline. RIH with dump bailer on wireline and dump 3 sx (20') cement on top of CIBP. POH with wireline.
- 4. RIH with 2-7/8" work string and circulate hole above 3000' with plugging mud (125 bbls). POH with work string.
- 5. <u>Cement plug #2 (7" casing):</u> RU wireline unit. RIH with 3-1/8" slick gun and perf 7" casing with 4 shots at 1325'. POH with wireline. RIH with cement retainer on wireline and set at 1200'. POH and RDMO wireline unit. RIH with stinger on 2-7/8" work string and sting into cement retainer at 1200'. Dig out bradenhead. Open surface casing and establish circulation through cement retainer and out surface casing. Cement squeeze with 150 sx Class "C" cement to surface, leaving 125' cement plug in 7" casing from cement retainer at 1200' to 1325'. POH and lay down remainder of 2-7/8" work string. ND BOP.
- 6. <u>Cement plug #3 (7" casing)</u>: Spot 10 sx cement in 7" casing from surface to 35'.
- 7. Cut casing below bradenhead. Weld steel cap over 8-5/8" surface casing and weld hole marker above steel cap. Clean location.

Blain Lewis Senior Engineer





Legacy Reserves Operating LP P. O. Box 10848 Midland, TX 79702

RE: NMLC058407B: Johns B No. 1 0660' FNL & 1980' FEL, Section 35, T17S-R32E Lea County, New Mexico

Conditions of Approval for the plugging of the Johns B No. 1, Changes to the procedure are as follows:

3. Spot plug from 3138'-3000' (covers shoe). WOC and tag.

Add plug from 2355'-2235' (covers Base of Salt). WOC and tag.

5. Instead of setting a cement retainer, set packer and squeeze cement from 1325'-1200' (covers Shoe and Top of Salt). WOC and tag.

Add plug, perforating 7" and 8-5/8" (deep penetrating shot) at 900'and squeeze cement to surface 8-5/8" annulus.

6. Surface plug from 60' to surface.

At cut-off verify cement to surface all annulus.

Ground level dry hole marker required (see attached)

If any questions, contact Jim Amos @ 575-234-5909.

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>minety (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.

Requirements for dry hole markers in Prairie Chicken Habitat <u>Well Identification Markers</u> Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) have required that ground level dry hole markers be placed on wells within the Lesser Prairie Chicken habitat area. Onshore Order 2.III.G.10 allows for surface caps to be installed at the base of the cellar of a minimum of 3 feet below the restored ground level. Therefore, these markers shall be set a minimum of 3 feet below the restored ground level. All markers shall be identified by GPS coordinates.

The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

- 1. A steel plate 1/4 inch thick shall be placed on the wellbore, welded in place and with a weep hole.
- 2. Aluminum data plates may be bolted to the steel plate with minimum ¼ inch bolts 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: Operator's name
 - b. Second row: Well name and number
 - c. Third row: Legal location to include ¼ ¼, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the ¼ ¼ (example: 1980 FNL 1980 FWL) being on the top row.
 - d. Fourth row: Lease Number and API number.
 - i. Example marker plate: (attached)

Notification to NMOCD of this marker type will be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground level dry hole marker was installed and GPS coordinates recorded as required in the COAs 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