		ke-	OCD.	HOBBS		
B	UNITED STATES EPARTMENT OF THE IN UREAU OF LAND MANA NOTICES AND REPOR is form for proposals to II. Use form 3160-3 (APR	SEMENT OF	5. Lease Se NMLCO 6. If Indian			
SUBMIT IN	7. If Unit o	7. If Unit or CA/Agreement, Name and/or No.				
Type of Well Oil Well Gas Well Oil Well Gas Well Oil SHERIDAN PRODUCTION C	9. API We	 8. Well Name and No. WYLIE FEDERAL 3 9. API Well No. 30-025-07898 				
3a. Address 9 GREENWAY PLAZA SUTE HOUSTON, TX 77046	3b. Phone No. (include area code) Ph: 713-548-2121) 10. Field an	ad Pool or Exploratory Area			
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 9 T21S R38E Mer NMP 1650FSL 1650FWL				11. County or Parish, State LEA COUNTY COUNTY, NM		
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICATE NATURE O	F NOTICE, REPORT,	OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION					
☑ Notice of Intent ☐ Subsequent Report	 Acidize Alter Casing Casing Repair 	 Deepen Hydraulic Fracturing New Construction 	 Production (Start/Re Reclamation Recomplete 	INT TO PA PM X P&A NR P&A R		
Final Abandonment Notice	 Change Plans Convert to Injection 	Plug and Abandon Plug Back	 Temporarily Aband Water Disposal 			
13. Describe Proposed or Completed Op If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involved testing has been completed. Final A determined that the site is ready for f	ally or recomplete horizontally, rk will be performed or provide d operations. If the operation res- bandonment Notices must be file	give subsurface locations and measu the Bond No. on file with BLM/BIA sults in a multiple completion or reco	A. Required subsequent repo pompletion in a new interval, a	of all pertinent markers and zones. rts must be filed within 30 days a Form 3160-4 must be filed once		

ATTACHED IS THE WELLBORE DIAGRAM AND P&A PROCEDURES TO PLUG THE WYLIE FEDERAL 3. THIS WELL WILL BE PLUGGED AS SOON AS APPROVAL IS RECEIVED.

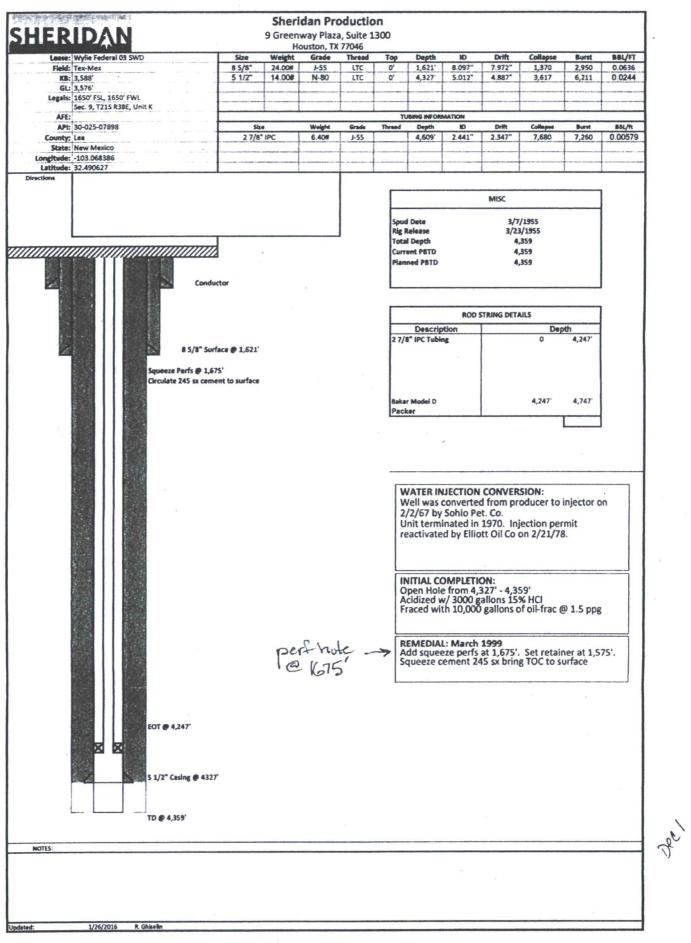
SUBJECT TO LIKE APPROVAL BY STATE

3

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the	he foregoing is true and correct. Electronic Submission #360570 verifie For SHERIDAN PRODUCTION Committed to AFMSS for processing	COMPAI	Y. se	nt to the H	lobbs		
Name (Printed/Typed)	KATHY MILES	Title	GEN	ERAL CO	NTACT		
Signature	(Electronic Submission)	Date	12/09	/2016			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE KUVED							
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.					DEC 12 2016 PR Juras	9	
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 researcy of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.							
(Instructions on page 2) CARLSBAD FIELD OFFICE ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **							
FOR RECORD ONLY MW/OCD 12/20/2016							

Submit 1 Copy Office	To Appropriate District		New Me			Form C-103		
District I – (575) 393-6161 1625 N. French Dr., Hobbs, NM 88240			Revised July 18, 2013 WELL API NO.					
811 S. First St.,	District III - (575) 748-1283 811 S. First St., Artesia, NM 88210 District III - (505) 334-6178 District III - (505) 334-6178 District III - (505) 334-6178			30-025-07898 5. Indicate Type of Lease FEDERAL				
1000 Rio Brazo	s Rd., Aztec, NM 8/410		h St. Fra e, NM 8'		STAT	E FEE		
District IV - (5 1220 S. St. Fran 87505	05) 476-3460 ncis Dr., Santa Fe, NM	CENVED Santa P	e, inivi o	7303	6. State Oil &	& Gas Lease No.		
87505		CES AND REPORTS O			7. Lease Nan	ne or Unit Agreement Name		
(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.)			WYLIE FEDERAL					
1. Type of	Well: Oil Well	Gas Well 🛛 Other S	WD		8. Well Num	8. Well Number 3		
2. Name of SHERIDAN	Operator PRODUCTION COM	PANY			9. OGRID N	umber 252496		
3. Address	of Operator	0, HOUSTON, TX 7704	6		10. Pool name or Wildcat LITTMAN SAN ANDRES			
4. Well Loc		.,,						
	t Letter K:	enade statemen sing						
Sec	tion 9	Township 11. Elevation (Show w		Range 38E	NMPM	County LEA		
flating in the		3576		, KKD, KI, OK, elc.,	/			
	12 Check A	appropriate Box to Ir	ndicate N	ature of Notice	Report or Ot	her Data		
NOTICE OF INTENTION TO: SUBS				SEQUENT K				
		CHANGE PLANS		COMMENCE DRI		P&A NR		
PULL OR ALTER CASING MULTIPLE COMPL CASING/CEMENT JOB P&A R								
CLOSED-LC	OOP SYSTEM			OTHER				
OTHER: 13. Desc	ribe proposed or compl	leted operations. (Clearly	y state all	OTHER: pertinent details, and	d give pertinent	dates, including estimated date		
	arting any proposed wo osed completion or reco	rk). SEE RULE 19.15.7 ompletion.	.14 NMA0	C. For Multiple Cor	mpletions: Atta	ch wellbore diagram of		
						OR TO BEGINNING		
				PLUGGING OPE	ERATIONS			
WELLBORE DIAGRAM AND P&A PROCEDURE IS ATTACHED.								
DUE	TO RIG SCHEDULIN	NG, THIS WORK IS BE	ING SCH	EDULED FOR +/- I	DECEMBER 1,	, 2016.		
	3/7/55			3/2	3/55			
Spud Date:	5/7/55	Rig	Release Da	ate:				
I hereby certi	fy that the information a	above is true and comple	te to the b	est of my knowledge	e and belief.			
SIGNATURE	Buyle A. 3	Villians TIT	LE_REG	ULATORY ANAL	YSTD	ATE8/04/16		
						PHONE: _713-548-1070		
For State Use Only								
APPROVED Conditions of	BY: Mark (1) Approval (if any):	hotsker	E Petr	oleum Engr.?	speadist	DATE 8-10-2016		





WYLIE FEDERAL 03 API#: 30-025-07898 1650' FSL & 1650' FWL SECTION 9, T21S & R38E

LEA COUNTY, NM

PLUG AND ABANDONMENT PROCEDURE

AUGUST 3, 2016

OBJECTIVE: PLUG AND ABANDONMENT

PRODUCTION CASING: 5 1/2" 14# SET @ 4327' OPEN HOLE: 4 3/4" 4327' TO 4359' PBTD: 4,359' OPEN HOLE: 4,327' - 4,359' SAN ANDRES OPEN HOLE

TBG: 2-7/8", 6.55#, J-55 PACKER:+/- 4,247'

- 1. PREP FOR PA WORK
 - a. LOTO ALL ENERGY SOURCES PRIOR TO MIRU.
 - b. CLEAN & LEVEL LOCATION AS NECESSARY.
 - c. CHECK ANCHORS.
 - d. CHECK TBG & CSG FOR PRESSURE. BLOW DOWN / KILL AS NECESSARY.

2. MIRU -

- a. MIRU WOR.
- b. CHECK SITP-SICP. BLEED DOWN WELL AS NECESSARY
- C. KILL WELL WITH FLUIDS NECESSARY TO CONTROL WELL.
- d. NDWH. NU BOP. RELEASE PACKER. TOOH W/ 2 7/8" IPC TUBING AND PACKER LAYING DOWN.
- 3. PREP TO PA WELLBORE
 - a. RU WL. RIH w/ 4 3/4" GR/JB to 4300'. POOW w/ GR/JB.

b. SET CIBP AT 4240 FEET, 7' ABOVE DEPTH OF INJECTION PACKER SETTING. DUMP BAIL, 30 FEET OF CEMENT ON Pressure test casing -TOP OF CIBP. RD WL. 35

- c. RIH w/ 2 3/8" TUBING. CIRCULATE WELL WITH A 9.5 LB/GAL MUD LADEN FLUID W/ 35 VISCOSITY. SPOT A 25 SACK PLUG FROM 2955 TO 2845(TOP OF YATES): 2695
- d. SPOT A 25 SACK CEMENT PLUG FROM 2805 TO 2695 FEET (BASE OF SALT)
- e. Perforate at 1671 feet, 50 feet below base of surface casing shoe. Perform pump in test, squeeze WITH 50 SACKS CEMENT AND LEAVE 100 FEET INSIDE CASING, 1571 FEET. WOL & TAG
- f. SPOT CEMENT PLUG FROM 400 FEET TO 290 FEET USING 25 SACKS CEMENT. WOC AND TAG.
- g. UPON TAG SPOT A 10 SACK CEMENT PLUG FROM 60 PEET TO SURFACE.

Verify Cernant to Surface all strings after cut off.

- h. CUT OFF CASING WELL HEADS 4-6 FEET BELOW SURFACE. WELD ON DRY HOLE MARKER PER NM REQUIREMENTS, CUT OFF CASING WELL HEADS 4-0 FEET BELUW SURFACE. "LPC" Himed avea, 4"OD BY 4-6' IN LENGTH, NO MORE THAN 4 FEET ABOVE SURFACE. "LPC" Himed avea, SUBMIT ALL PAPER WORK TO NMOCD. Install P\$A plate 3 below ground level.
- i. SUBMIT ALL PAPER WORK TO NMOCD.

SHERIDA

WYLIE FEDERAL 03

API#: 30-025-07898 1650' FSL & 1650' FWL SECTION 9, T21S & R38E LEA COUNTY, NM

PLUG AND ABANDONMENT PROCEDURE

AUGUST 3, 2016

OBJECTIVE: PLUG AND ABANDONMENT

PRODUCTION CASING: 51/2" 14# SET @ 4327' OPEN HOLE: 43/4" 4327' TO 4359' PBTD: 4,359' OPEN HOLE: 4,327' - 4,359' SAN ANDRES OPEN HOLE

TBG: 2-7/8", 6.55#, J-55 PACKER:+/- 4,247'

1. PREP FOR PA WORK

- a. LOTO ALL ENERGY SOURCES PRIOR TO MIRU.
- b. CLEAN & LEVEL LOCATION AS NECESSARY.
- c. CHECK ANCHORS.
- d. CHECK TBG & CSG FOR PRESSURE. BLOW DOWN / KILL AS NECESSARY.

2. MIRU -

- a. MIRU WOR.
- **b. CHECK SITP-SICP. BLEED DOWN WELL AS NECESSARY**
- C. KILL WELL WITH FLUIDS NECESSARY TO CONTROL WELL.
- d. NDWH. NU BOP. RELEASE PACKER. TOOH W/ 2 7/8" IPC TUBING AND PACKER LAYING DOWN.
- 3. PREP TO PA WELLBORE
 - a. RU WL. RIH w/ 4 3/4" GR/JB to 4300'. POOW w/ GR/JB.

b. SET CIBP AT 4240 FEET, 7' ABOVE DEPTH OF INJECTION PACKER SETTING. DUMP BAIL 30 FEET OF CEMENT ON Pressure test casing -TOP OF CIBP. RD WL. 35

- c. RIH w/ 2 3/8" TUBING. CIRCULATE WELL WITH A 9.5 LB/GAL MUD LADEN FLUID W/ 35 VISCOSITY. SPOT A 25 SACK PLUG FROM 2955 TO 2845(TOP OF YATES): 2695
- d. SPOT A 25 SACK CEMENT PLUG FROM 2805 TO 2695 FEET (BASE OF SALT)

e. PERFORATE AT 1671 FEET, 50 FEET BELOW BASE OF SURFACE CASING SHOE. PERFORM PUMP IN TEST, SQUEEZE WITH 50 SACKS CEMENT AND LEAVE 100 FEET INSIDE CASING, 1571 FEET. WOL & TAG

- f. SPOT CEMENT PLUG FROM 400 FEET TO 290 FEET USING 25 SACKS CEMENT. WOC AND TAG.
- g. UPON TAG SPOT A 10 SACK CEMENT PLUG FROM 60 PEET TO SURFACE.

Verify Cemant to Surface all strings after cut off.

h. CUT OFF CASING WELL HEADS 4-6 FEET BELOW SURFACE. WELD ON DRY HOLE MARKER PER NM REQUIREMENTS, 4"OD BY 4-6' IN LENGTH, NO MORE THAN 4 FEET ABOVE SURFACE. "LPC" Himed avea, SUBMIT ALL PAPER WORK TO NMOCD. Install P&A plate 3 below ground level.

i. SUBMIT ALL PAPER WORK TO NMOCD.

Page 1 of 1

Conditions of Approval

Sheridan Production Company, LLC Wylie - 03, API 2507898 T21S-R38E, Sec 09, 1650FSL & 1650FWL December 09, 2016

- 1. Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location during this workover operation.
- 2. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15.
- 3. Subject to like approval by the New Mexico Oil Conservation Division.
- 4. <u>Notify 575-393-3612 Lea Co as work begins</u>. <u>Plugging procedures are to be witnessed</u>. If there is no response leave a voice mail with the API#, workover purpose, and a call back phone number.
- 5. Surface disturbance beyond the existing pad must have prior approval.
- 6. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
- 7. Functional H_2S monitoring equipment shall be on location.
- 8. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
- 9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during any other crew-intensive operations.
- 10. The BLM PET witness is to run tbg tally and agree to cement volumes and placement. Sample each plug for cement curing time and tag and/or pressure test as requested by BLM PET witness.
- 11. Cementing procedure is subject to the next three numbered paragraphs.
- 12. Mix cement plugs to cover a minimum of 100ft plus 10ft for every 1,000ft to the bottom of the plug, rounding the number of necessary sacks up to the nearest 5 sacks. Never use less than 25sx. Examples: A cement plug set at 8000 in 7" casing would require a min of 35sx. A 25sx plug in 5 ¹/₂" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.
- 13. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
- 14. Set a 25sx cmt plug on the CIBP to be set in step 3.b. of the procedure. WOC and tag the plug with tubing.

- 15. Perf at 2925, set a minimum 35sx balanced cmt plug from 2975. Pull tbg above calc cmt top and SWI holding 500psig minimum on the plug. SDWOC 4hr min. Tag the plug w/tbg at 2800 or above.
- 16. Preform Step 3.e. with 8 5/8 X 5 ¹/₂" annulus open to the air. WOC 4hr min. Tag the plug inside the 5 ¹/₂ csg w/tbg at 1550 or above.
- 17. Perf at 60' and circ cmt from the surface through the 5 ¹/₂" csg out the 8 5/8" annulus.
 SDWOC. Tag cmt plug inside the 5 ¹/₂ and confirm cmt to the surface in the 8 5/8 X 5 ¹/₂" annulus.
- 18. File subsequent sundry Form 3160-5 within 30 days of workover procedures. Submit the (BLM Form 3160-5 subsequent report (daily reports) via BLM's Well Information System; <u>https://www.blm.gov/wispermits/wis/SP</u> (email <u>pswartz@blm.gov</u> for operator setup instructions). Include (dated daily) descriptions of the well work, ie. procedure descriptions and setting depths of each plug in the subsequent sundry.
- 19. Wellbore plugging is to be accomplished within 90 days of approval.

Reclamation Objectives and Procedures

In Reply Refer To: 1310

Reclamation Objective: 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 pre-disturbance 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, re-distribute the native soils, provide erosion control as needed, rip and seed as needed. This will apply to well pads, facilities, and access roads. Barricade all access road(s) at the starting point. If reserve pits have not been adequately reclaimed due to salts or other contaminants, propose a plan for BLM approval to provide restoration of the pit area.

 The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations should have included 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 locations and/or access roads not having an approved plan, or an inadequate plan for surface reclamation the operator must submit a proposal describing the procedures for reclamation. The appropriate time for submittal would be when filing the Notice of Intent, or with the Subsequent Sundry Report of Abandonment on Form 3160-5. The final reclamation goal is to be completed within 6 months of wellbore abandonment.
- 3. With 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 may 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.
- 4. Upon reclamation conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a BLM specialist to inspect the location to verify work was completed as per approved plans.
- 5. The BLM approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been tentatively reestablished. If the objectives have not been met BLM will be notify the operator of the required corrective actions.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time the full 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 full 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 a BLM specialist will again 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 for 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 Environmental Protection Specialist 575-234-5909, 575-361-2648 (Cell)

Trishia Bad Bear Natural Resource Specialist 575-393-3612, 575-390-2258 (Cell) Robertson, Jeffery Natural Resource Specialist 575-234-2230, 575-706-1920 (Cell)

Vance Wolf Natural Resource Specialist 575-234-5979

Brooke Wilson

Jesse Bassett

Natural Resource Specialist 575-234-5913, 575-499-5114 (Cell)

Paul Murphy Natural Resource Specialist 757-234-5975, 575-885-9264 (Cell)

Henryetta Price Environmental Protection Specialist 575-234-5951, 575-706-2780 (Cell) Natural Resource Specialist 575-234-6237

Arthur Arias Environmental Protection Specialist 575-234-6230, 575-499-3378 (Cell)

Shelly Tucker Environmental Protection Specialist 575-234-5905, 575-361-0084 (Cell)

- 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.