

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No. NMNM24489
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. LA RICA FEDERAL 2
9. API Well No. 30-025-36350
10. Field and Pool or Exploratory Area TONTON;YATES-SEVEN RIVER
11. County or Parish, State LEA CO COUNTY, NM

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator COG OPERATING, LLC	Contact: ABIGAIL MONTGOMERY E-Mail: Abbym@bcmmandassociates.com
3a. Address 600 W. ILLINOIS MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-580-7161	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T19S R33E 990FSL 1980FWL 32.655647 N Lat, 103.618827 W Lon		

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (S)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Dispos

INT TO PA pm
P&A NR _____
P&A R _____

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

1. Tag 5 1/2" CIBP @ 4360'. Spot 25 sx cmt @ 4360-4260'.
2. Set 5 1/2" CIBP @ 3690'. Circulate hole w/ mud laden fluid. Pressure test csg. Spot 55 sx cmt @ 3690-3300'.
3. Spot 25 sx cmt @ 1650-1500'. WOC & Tag
4. Perf & Sqz 10 sx cmt @ 15' Surface.
5. Cut off well head, verify cmt to surface, weld on Dry Hole Marker.

Follow COA procedure

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

APPROVED

**SUBJECT TO LIKE
APPROVAL BY STATE**

WITNESS

14. I hereby certify that the foregoing is true and correct. Electronic Submission #382334 verified by the BLM Well Information System For COG OPERATING, LLC, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 08/09/2017 ()	
Name (Printed/Typed) ABIGAIL MONTGOMERY	Title AGENT
Signature (Electronic Submission)	Date 07/24/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>Paul R. Swartz</u> <u>01/26/2018</u>	Title <u>TPET</u>	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.		Office

**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

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.

(Instructions on page 2)

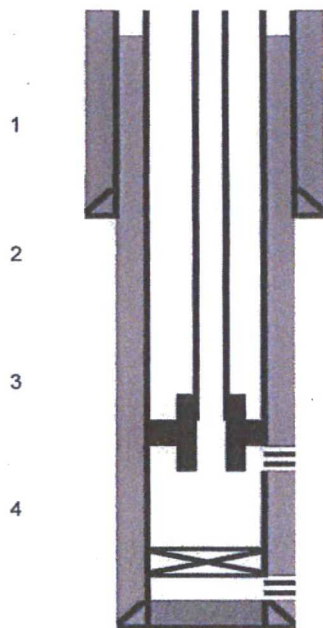
**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

FOR RECORD ONLY
MW/OCD 02/06/2018

Author:	MRM (7/2017)	Well No.	#2
Well Name	La Rica Federal	API #:	30-025-36350
Field	Tonto	Prop #:	300142
County	Lea	Zone:	Seven Rivers
State	New Mexico		990 FSL & 1980 FWL
Spud Date	6/24/2004		Sec 13 T19S R33E
GL	3691'		
KB	12'		

Description	O.D.	Grade	Weight	Depth	Cmt Sx	TOC
Surface Csg	8.625"	J-55	24	1,596	770	surf
Inter Csg	N/A	N/A	N/A	N/A	N/A	N/A
Prod Csg	5.5"	J-55	15.5	4,718	1,220	15'
Liner	N/A	N/A	N/A	N/A	N/A	N/A

Originally drilled
Three Rivers to c
COG took over c



11" hole
8-5/8" (24#) @ 1,596' w/ 770 sks
TOC @ surf

7 7/8" hole
5-1/2" (15.5#) @ 4,718' w/ 1220 sks
TOC @ 15'

2 7/8" tbg, EOT @ 3,785' with 2-1/2" x 1-1/2" x 16' RWBC pump

3739'-3764' (Seven Rivers) 4spf - 7/24/2004 acidized with 1000 gal and frac'd with 74,580 lbs

CIBP @ 4,630' 7/20/2004
4670'-4680' (Lower Penrose) 4spf - 7/16/2004 acidized with 1000 gal

TD @ 4,718'
PBTD @ 4,668'

Formation Tops

Rustler	1545
Tansill	3140
Yates	3358
7 Rivers	3680

32.6556473

-103.6188278

Operator: COG Operating, LLC

Surface Lease: NM24489

Case No: NM24489

Subsurface Concerns for Casing Designs: KFC

Well Status: NOI - abd

Spud date: 6/24/2004

Plug'd Date:

Reentry Date:

BHL: NM24489

Lease Agreement

Well: LA RICA FEDERAL-2

API: 3002536350

@ Srfce: T19S-R33E,13.990s1980w

@ M TD: T19S-R33E,13.990s1980w

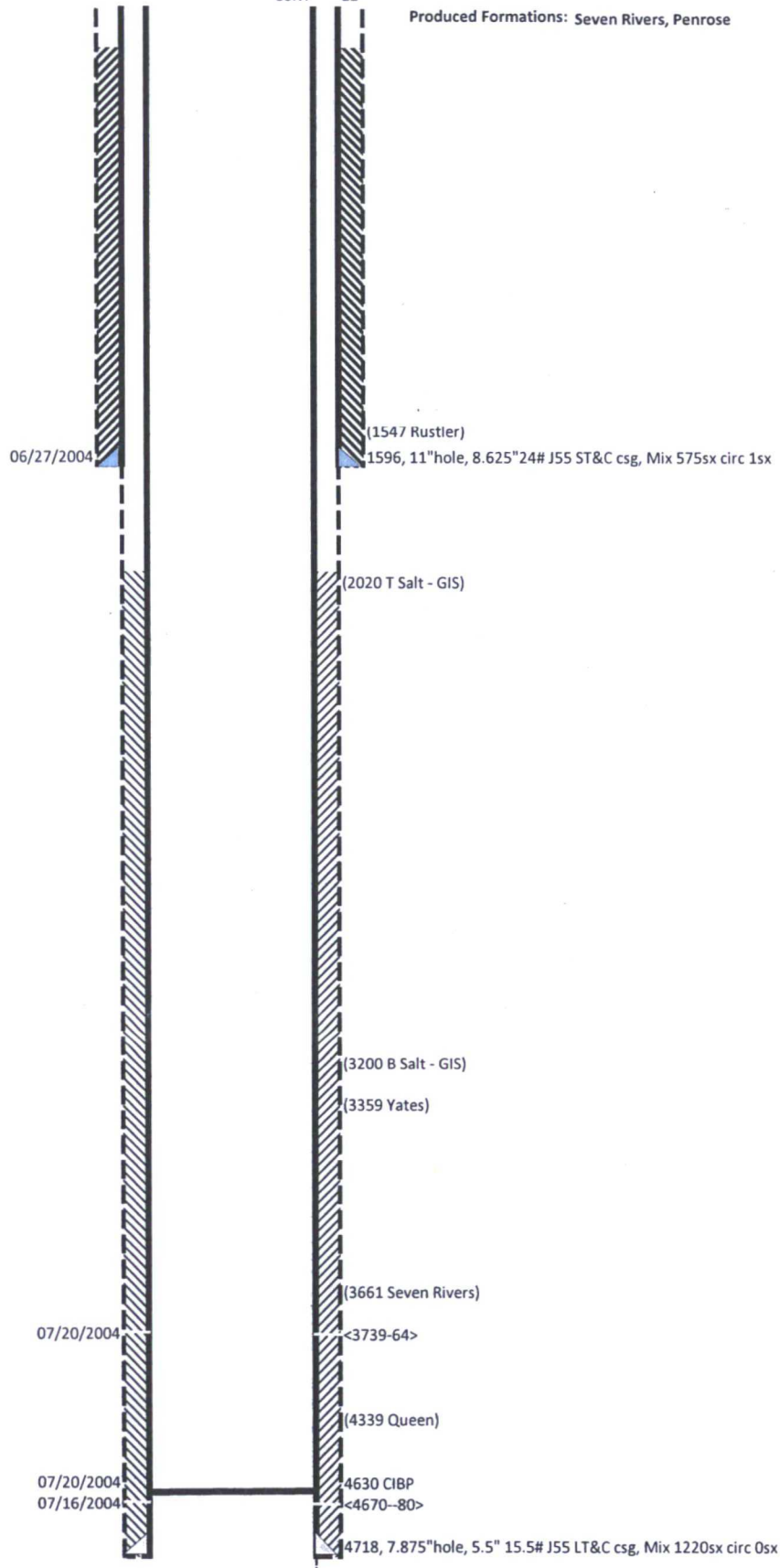
Estate: F\F\F

KB: 3703

GL: 3691

Corr: 12

Produced Formations: Seven Rivers, Penrose



last updated: 01/26/2018

_WB Rcd (6.02 LaRica-02 2536350

Conditions of Approval

COG Operating, LLC
La Rica - 02, API 3002536350
T19S-R33E, Sec 13, 990FSL & 1980FWL
January 26, 2018

HOBBS OCD

FEB 06 2018

RECEIVED

1. Within 90 days of these conditions of approval for the processed Electronic Submission #382334 notice of intent begin wellbore operations or request an extension.
2. Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location during this workover operation.
3. Conditions of Approval reflect a procedure based on available documentation for this wellbore. The BLM workover witness and NOI approver may adjust operations so as not to hinder achievable abandonment requirements.
4. 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.
5. Subject to like approval by the New Mexico Oil Conservation Division.
6. Notify 575-393-3612 Lea Co as work begins. If there is no response leave a voice mail with the API#, workover purpose, and a call back phone number.
7. Surface disturbance beyond the existing pad must have prior approval.
8. 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.
9. Functional H₂S monitoring equipment shall be on location.
10. Blow Out Prevention Equipment 2000 (2M) 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 or automatic locking devices) equipment 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.) employed when needed for reasonable well control requirements.
11. Created operation waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) 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.
12. The BLM PET is to run tbq 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.
13. **Cementing procedure is subject to the next four numbered paragraphs.**
14. 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 ½" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.

15. Below 7500ft Class "H" and above 7500ft Class "C" neat cement plugs(s) will be necessary. Isolation plugs of Class "C" neat cement to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and Class "H" neat cement to be mixed 16.4#/gal, 1.06ft³/sx, 4.3gal/sx water.
16. A minimum WOC time of 4 hours(C) & 8 hours(H) is recommended for plugs that require a tag or pressure test.
17. Minimum requirement for mud placed between plugs is 25 sacks of saltwater gel per 100 barrels in 9 lb/gal brine.
18. Tag the CIBP at 4630 and set a balanced 35sx Class "C" cmt plug on the CIBP. WOC, and tag the plug with tbg at 4250' or above covering the Queen formation top of 4339.
19. Pressure test the casing to 500psig after a CIBP is set within 100' of the top 3739' perf.
20. Set a min 60sx balanced "C" cmt plug on a CIBP set within 100' of the top 3739' perf. WOC, and tag the plug with tbg at 3150' or above covering the Seven Rivers and Yates formations and Base of Salt at 3200'.
21. Perforate at 2100', open the 8 5/8" csg vent and establish circulation. Sqz a min 50sx "C" cmt plug across the Top of Salt. Close the tbg valve behind displacement volume and hold the slurry in place. WOC, and tag the plug with tbg at 1900' or above.
22. Perforate at 1670', open the 8 5/8" csg vent and establish circulation. Sqz a min 35sx "C" cmt plug across the 8 5/8" shoe. Close the tbg valve behind displacement volume and hold the slurry in place. WOC, and tag the plug with tbg at 1530' or above.
23. Perf at 60' or below. Establish circulation through the 5 1/2" x 8 5/8" annulus. Fill with (\pm 20sx) balanced "C" cmt plug and verify the 5 1/2" x 8 5/8" annulus and 8 5/8" csg from 60' cemented to surface.
24. File subsequent sundry Form 3160-5 within 30 days of workover procedures. Include (dated daily) descriptions of the well work, i.e. procedure descriptions and setting depths of each plug in the subsequent sundry.

Lesser Prairie Chicken Habitat Area Dry Hole Markers

Stamp or engrave (3/8" letters) information for the plugged well on 8"x 8" aluminum plate of 1/8", 12 gauge, or .080 sign material similar to this example:

Ajax Operating Company
Tailspin – 22
1980FNL & 660FWL - Sec 16 - T22S-R31E
Lease LC029567 API 3001534567
Plugged July 17, 2017

1. Center a 3 to 4 foot pipe at a right angles on a 8"x8"x 1/8" or 3/16" steel plate and weld the pipe to the plate.
2. Cement the pipe vertically inside the abandoned surface casing. Leave the steel plate about 2" above and horizontal to ground level.
3. Fix the well information plate to the steel plate with 1/4 inch bolts and locking nuts or self-tapping fine threaded screws (one in each corner).
4. On the BLM Form 3160-5 subsequent report of abandonment state that a ground level dry hole marker installed as required by BLM and NMOCD Order No. R-12965.

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.

1. 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)

Robertson, Jeffery
Natural Resource Specialist
575-234-2230, 575-706-1920 (Cell)

Trishia Bad Bear
Natural Resource Specialist
575-393-3612, 575-390-2258 (Cell)

Vance Wolf
Natural Resource Specialist
575-234-5979

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

Brooke Wilson
Natural Resource Specialist
575-234-6237

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

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

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

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