Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTEROPTISDAD FIGURE STATES BUREAU OF LAND MANAGEMENT FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 J. Land St. January 31, 2018

| SUNDRY | NOTICES AND REPO | RTS ON WE | LIS | Hohh | NMLC055546 | | | |
|---|---|---|---|--|---|--|-----------------------|--|
| Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals. | | | | | NMLC055546 6. If Indian, Allottee or Tribe Name | | | |
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | | | | 7. If Unit or CA/Agreement, Name and/or No. | | | |
| 1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other | | | | | 8. Well Name and No. LANGLIE JAL UNIT 109 | | | |
| 2. Name of Operator Contact: AGGIE ALEXIEV POGO OIL & GAS OPERATING, INC E-Mail: aggie@penrocoil.com | | | | | 9. API Well No. 30-025-29448 | | | |
| | | | e No. (include area code) i-942-2004 | | 10. Field and Pool or Exploratory Area LANGLIE MATTIX | | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | | 11. County or Parish, State | | | |
| Sec 5 T25S R37E SENE 2555FNL 120FEL | | | | | LEA COUNTY, NM | | | |
| 12. CHECK THE AF | PPROPRIATE BOX(ES) | TO INDICA | ΓE NATURE O | F NOTICE, | REPORT, OR OTH | IER DATA | | |
| TYPE OF SUBMISSION | | | TYPE O | | | | | |
| Notice of Intent | fent Acidize Deepen | | ☐ Producti | ☐ Production (Start/Resume) | | ☐ Water Shut-Off | | |
| _ | ☐ Alter Casing | ☐ Hyd | ☐ Hydraulic Fracturing | | ☐ Reclamation | | ■ Well Integrity | |
| ☐ Subsequent Report | ☐ Casing Repair | □ New | ■ New Construction | | ☐ Recomplete | | ☐ Other | |
| ☐ Final Abandonment Notice | ☐ Change Plans | Plug | and Abandon | ▼ Temporal | arily Abandon | | | |
| | ☐ Convert to Injection ☐ Plug Back | | ☐ Water Disposal | | | | | |
| If the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final At determined that the site is ready for final Due to improved economics, proposed to the involved testing has been completed. Final At determined that the site is ready for final Due to improved economics, proposed to improve the improved economics, proposed to improve the improved that the site is ready for Julian Ru JWS. NU BOP. Pulled rods/tubing, if TOH w/tbg. Set CIBP @ 3542 Circulate packer fluid & spot 3 to 500# for 30 mins. File for temporarily abandonm | rk will be performed or provide operations. If the operation re bandonment Notices must be fil inal inspection. clans are to revitalize this past 2 years. f still in hole. LD rods. ' +/- 5 sxs Class "C" cement comment. | the Bond No. or sults in a multipled only after all well and save | a file with BLM/BIA completion or recoverequirements, include for future developments of the second | A. Required subompletion in a riding reclamation elopment. | PBTD ACHET | filed within 30 of 3-4 must be file and the operator | days d once has | |
| | For POGO OIL & Committed to AFMSS for | GAS OPERA | TING, INC, sent | to the Hobbs | | | | |
| Name (Printed/Typed) AGGIE ALEXIEV | | | Title AGENT | | | | | |
| Signature (Electronic S | Submission) | | Date 03/0 2/2 | 2018 | | 700 | | |
| | THIS SPACE FO | OR FEDERA | | PACOL | D FOR KLCO | KU | | |
| | | | | | | | | |
| Approved By | | | Title | MA | 0 2 1 2019 | 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 | WIA | F AND MANAGEMEN | · | | |
| Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s | U.S.C. Section 1212, make it a statements or representations as | crime for any pe | rson knowingly and thin its jurisdiction | willfully forms | हरूके बाह departienen | agency of the U | nited | |

Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No. LC 055546

| SUNDRY NOTICES AND REPORTS Do not use this form for proposals to dr abandoned well. Use Form 3160-3 (APD) | 6. If Indian, Allottee or Tribe Name | | | | | |
|---|--|--|--|--|--|--|
| SUBMIT IN TRIPLICATE - Other instruction | 7. If Unit of CA/Agreement, Name and/or No. | | | | | |
| 1. Type of Well | Langlie Jal Unit - NM 70970A | | | | | |
| ✓ Oil Well Gas Well Other | 8. Well Name and No. Langlie Jal Unit #109 | | | | | |
| 2. Name of Operator Pogo Oil & Gas Operating, Inc | 9. API Well No. 30-025-29448 | | | | | |
| 1515 W Calle Sur, Suite 174 | hone No. <i>(include area code)</i> 5) 492-1236 | 10. Field and Pool or Exploratory Area 37240- Langlie Mattix; 7 Rivers- Queen-Grayburg | | | | |
| 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) | | 11. Country or Parish, State | | | | |
| 2555' FNL & 125' FEL, Unit Letter I, Sec 5, T25S, R37E | Lea County, New Me | exico | | | | |
| 12. CHECK THE APPROPRIATE BOX(E | S) TO INDICATE NATURE OF NOT | ICE, REPORT OR OTHE | R DATA | | | |
| TYPE OF SUBMISSION | TYPE OF AC | TION | | | | |
| ✓ Notice of Intent ☐ Acidize ☐ Alter Casing ☐ Casing Repair ☐ Change Plans ☐ Convert to Injection | Hydraulic Fracturing Recl New Construction Recc Plug and Abandon Tem | duction (Start/Resume) amation complete porarily Abandon | Water Shut-Off Well Integrity Other | | | |
| Final Abandonment Notice Convert to Injection 13. Describe Proposed or Completed Operation: Clearly state all pertinen | | er Disposal | | | | |
| completed. Final Abandonment Notices must be filed only after all re is ready for final inspection.) Due to improved economics, plans are to revitalize this well at Test anchors - if not tested in past 2 years. RU JWS. NU BOP. Pulled rods/tubing, if still in the hole. LD rods TOH w/ tbg. Set CIBP @ 3542' +/- Circulate packer fluid & spot 35 sxs Class 'C' cement on top C Pressure test above PBTD to 500# for 30 mins. File for temporarily abandonment. | quirements, including reclamation, havend save for future development. | | | | | |
| 14. I hereby certify that the foregoing is true and correct. Name (Printed). M.Y (Merch) Merchant | Title Agent | Agent Title | | | | |
| Signature Charge Africa V | Date | Date 03/02/2018 | | | | |
| THE SPACE FO | R FEDERAL OR STATE OF | ICE USE | | | | |
| Approved by | Title | Da | te | | | |
| Conditions of approval, if any, are attached. Approval of this notice does neertify that the applicant holds legal or equitable title to those rights in the which would entitle the applicant to conduct operations thereon. | subject lease Office | | | | | |
| Fitle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a cr my false, fictitious or fraudulent statements or representations as to any m | ime for any person knowingly and will atter within its jurisdiction. | fully to make to any depa | artment or agency of the United States | | | |

(Instructions on page 2)

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Temporary Abandonment of Wells on Federal Lands Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

- 1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
- 2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, **placed with tubing**.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
- 3. Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

- 1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval with well bore diagram with all perforations and CIBP's and tops of cement on CIBP's.
- 2. Describes the temporary abandonment procedure.
- 3. Attaches a clear copy or the original of the pressure test chart.
- 4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

- 1. A procedure to repair the casing so that a TA approval can be granted.
- 2. A procedure to plug and abandon the well.

Well Name: <u>LANGLIE JAL UNIT 109</u> Submit Subsequent Report and well bore diagram with all Perforations and CIBP with tops of cement. Well may be approved to be TA for a period of <u>6 months or until 09/21/2018</u> after successful MIT and subsequent report is submitted. This well has been shut-in since JULY 2008. If well is not brought into production by 09/21/2018, operator shall P&A the well.