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Form 3160-5 (April 2004)	UNITED STATES DEPARTMENT OF THE INTE		OM B No. 1004-0137
Si	BUREAU OF LAND MANAGEM	S ON WELLS	Expires: March 31, 2007 175. Lease Serial No. NMLC032579E
	t use this form for proposals to drill oned well. Use Form 3160-3 (APD) t		6. If Indian, Allottee or Tribe Name
	IN TRIPLICATE- Other instruction	ns on reverse side.	7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well Oil Well	Gas Well Other		8. Well Name and No.
2. Name of Operator	OIL & CATTLE LLC		8. Well Name and I'va CARLSON B26-#002 9. API Well No.
3a Address 101 E,	DANTHERAVE, 30. P	hone No. (include area code) 5 395-99 TD	30-025-//800/ 10. Field and Pool, or Exploratory Area
4. Location of Well (Foo	1 <u>M 98252 / 573</u> kage, Sec., T., R., M., or Survey Pescription) 1990 FEL /	<u>5-375-7970</u>	10. Francisco de Esperantes / 11- <i>LANGLIE MIATTIX</i> 11. County or Parish, State
	226-T255-R37E	· · ·	Lea, NM
	ECK APPROPRIATE BOX(ES) TO INDIC	ATE NATURE OF NOTICE, R	REPORT, OR OTHER DATA
TYPE OF SUBMIS	SION	TYPE OF ACTION	
Notice of Intent		pen Production (St cure Treat Reclamation	ant/Resume) Water Shat-Off Well Integrity
Subsequent Report	Casing Repair	w Construction Recomplete	Other
Final Abandonment	Notice 7	g and Abandon Temporarily Al g Back Water Disposal	
3. CAP CI. 4. FLACE 5. PERF # SALT P 6. PLACE 7. SET 2. 8. PLACE 9. CUT W 10. CHCCK 0	1/2005 + TBG, RIH W/CIBP BP W/ 255K5 CCMBNT BRINE MUD TO 22301 Squeeze @ 21-72. 592 WHG: WOC Tog @	SO'IN & SO'ONT, S ZIOO PERFY SQZ RFYSQZOO INSIN N SURFACE	ETOUT TO SURFACE
14. Thereby certify that	t the foregoing is true and correct	ND FOR HEES WELD	ER CR. LICE
Name (Printed/T	уреај	Tide PROBUCTI	ON FOREMAN
Signature La	y W. Wink	Date 3/26/14	· · · · · · · · · · · · · · · · · · ·
(THIS SPACE FOR FEDE	RAL OR STATE OFFICE	USE
certify that the applicant h	any, are attached. Approval of this notice does not olds legal or equitable title to those rights in the subj plicant to conduct operations thereon.		Date 4-20-14
Title 18 U.S.C. Section 100 States any false, fictitious	1 and Title 43 U.S.C. Section 1212, make it a crime for or fraudulent statements or representations as to any	or any person knowingly and willfully to matter within its jurisdiction.	to make to any department or agency of the United
(Instructions on page	2)	MSB/0CD 4/30/	12014
042.1	TTACHED FOR	RECLAMATION PROC ATTACHED	
COND	ITIONS OF APPROVAL	Allouice	APR 30 2014

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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.

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 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 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. In lieu of a cement plug in a cased hole, 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.

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 well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. 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 five 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 conditions of approval will be developed and furnished to you.



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

Interim Reclamation 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.

Interim reclamation consists of minimizing the footprint of disturbance by reclaiming all portions of the well site not needed for production operations. The portions of the cleared well site not needed for operational and safety purposes are recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Sufficient level area remains for setup of a workover rig and to park equipment. Topsoil is respread over areas not needed for all-weather operations. Production facilities should be clustered to maximize the opportunity for interim reclamation. In order to inspect and operate the well or complete workover operations, it may be necessary to drive, park, and operate on restored, interim vegetation within the previously disturbed area. This is generally acceptable provided damage is repaired and reclaimed following use.

To reduce final reclamation costs; maintain healthy, biologically active topsoil; and to minimize habitat, visual, and forage loss during the life of the well, all salvaged topsoil should be spread over the area of interim reclamation, rather than stockpiled.

- 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). Interim reclamation is to be completed within 6 months of well completion.
- 3. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with interim reclamation as per approved APD or Sundry Notice. 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.
- 4. 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.
- 5. 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 there are any questions, please feel free to contact any of the following specialists:

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

Linda Denniston Environmental Protection Specialist 575-234-5974

Jennifer Van Curen Environmental Protection Specialist 575-234-5905

Mike Burton Environmental Protection Specialist 575-234-2226

Jeffery Robertson Natural Resource Specialist

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Solomon Hughes Natural Resource Specialist 575-234-5951

Douglas Hoag Civil Engineering Technician 575-234-5979