Form 3160-5 (September 2001)

NMOCD Hobbs

UNITED STATES
DEPARTMENT OF THE INTERIOR

FORM APPROVED OM B No. 1004-0135 Expires: January 31, 2004

BUREAU OF LAND MANAGEMENT 5 Lease Serial No. NMNM0117529 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160 - 3 (APD) for such proposals 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE- Other instructions on reverse side. 2 0 2016 Gas Well 🗆 Oil Well□□ 8. Well Name and No. FEDERAL 21 #3 2. Name of Operator RIDGEWAY ARIZONA OIL CROP API Well No. 30-041-10515 3a Address 3b. Phone No. (include area code) 832-485-8500 777 N. ELDRIDGE PRKWY #150, HOUSTON, TX 77079 10. Field and Pool, or Exploratory Area **CHAVEROO; SAN ANDRES** 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State **SECTION 21, 07S-33E** 660 FSL 1980 FEL ROOSEVELT COUNTY, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE. REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION INT TO PA Acidize Production (Start/Resume Deepen ✓ Notice of Intent P&A NR Alter Casing Fracture Treat Reclamation Casing Repair P&AR New Construction Recomplete Subsequent Report Change Plans ✓ Plug and Abandon Temporarily Abandon Final Abandonment Notice Plug Back Water Disposal Convert to Injection 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 recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) IN RESPONSE TO INC 160T10i RIDGEWAY ARIZON OIL CORP REQUESTS APPROVAL TO PLUG AND ABANDON THE WELL IN ACCORDANCE WITH THE ATTACHED PLUGGING PROCEDURE. THE COMPANY WILL NOTIFY BLM 24 HOURS PRIOR TO COMMENCING PLUGGING OPERATIONS. CONDITIONS OF APPROVAL I hereby certify that the foregoing is true and correct Name (Printed/Typed) JAMIE L HOGUE Title VP REGULATORY AFFAIRS 05/04/2016 Signa Date FOR FEDERAL OR STATE OFFICE USE Title 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 Office which would entitle the applicant to conduct operations thereon. 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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. department or agency of the United

(Instructions on page 2)

MW/DCD 5/23/2016

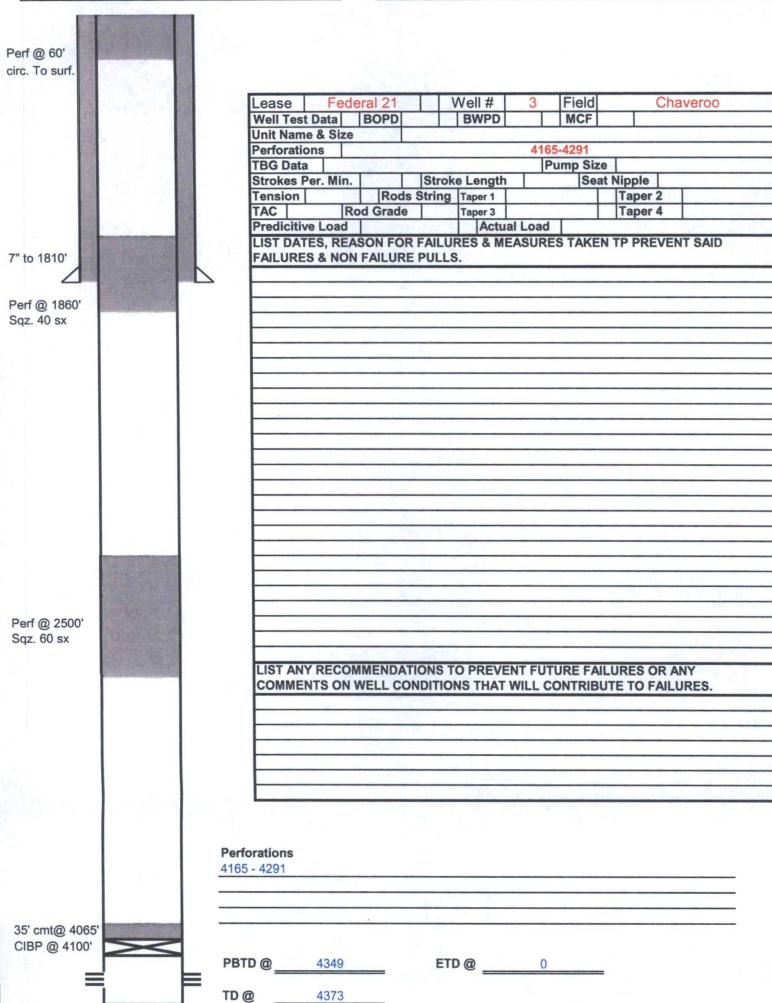


Plugging Procedure Federal 21 #3 API No. – 30-041-10515 O-21-O7S-33E 660 FSL 1980 FEL

- 1. Prepare location and test anchors
- 2. MIRU plugging rig
- 3. Notify OCD/BLM 24 hours prior to commencement of P & A procedure.
- 4. NDWH/NU BOP
- 5. RIH w-4 ½ CIBP on 2 3/8 WS @ 4115' (+/-) within 50' of top perf (4165')
 - a. Spot 35' of cement on CIBP
 - b. WOC -4065' (+/-)
- 6. Load well with a minimum of 9 lb. mud and conduct MIT to 500 psi. Test for leak off.
 - Bleed pressure off after MIT.
- 7. MIRU WL and RIH w/perf gun to 2500'
 - a. perforate @ 2 JSPF
 - b. POOH w/WL
 - c. RDWL
- 8. TIH w/WS Squeeze 60 SX cement plug @ 2500' to 2300' Additional plue 2300-2175 to seal yates formation.
 - a. Wait on cement
 - b. Tag plug @ 2300' or above
- 9. MIRU WL and RIH w/perf gun to 1860'
 - a. perforate @ 2 JSPF
 - b. POOH w/WL
 - c. RDWL
- 10. TIH w/WS Squeeze 40 SX cement plug @ 1860' to 1760'
 - a. 7" casing shoe @ 1810'
 - b. Wait on cement
 - c. Tag plug @ 1760' or above
- 11. TIH w/WS Circulate cement plug from 60' to surface
 - a. Wait on cement
 - b. Cut off well head 4' below ground level
 - c. Cut anchors
- 12. RDMO Plugging Rig
- 13. Install below grade P & A marker plate at least 3' below ground level.

ease	NMNM0117529	
Well Name	Federal 21	Well No. 3
Field	Chaveroo	
County	Roosevelt	
State	NM	
Date	5/2/2016	
Date Comp	1 3 1/2 mg	
(B		

Description	O.D.	Grade	Weight	Depth	Cmt Sx	TOC
Surface Csg	7	0	20#	1810	375	Surface
Inter Csg	0	0	0	0	0	0
Prod Csg	4 1/2	0	9 1/2	4373	350	0
Liner O.D.	0	0	0	0	0	0



Federal 21 3 30-041-10515 Ridgeway Arizona Oil Corp May 17, 2016 Conditions of Approval

- 1. Operator shall place CIBP at 4,115' (50'-100' above top most perf) and place 35' of Class C cement on top as proposed. WOC and TAG.
- 2. Operator shall perf and squeeze at 2,500'as proposed tagging plug at 2,300'.
- 3. Operator shall place a balanced Class C cement plug from 2,300'-2,175' to seal the top of the Yates formation. WOC and TAG.
- 4. Operator shall perf and squeeze at 1,860' as proposed tagging plug at 1,760' to seal the surface shoe.
- 5. Operator shall place a balanced Class C cement plug from 60'- surface as proposed
- 6. See Attached for general plugging stipulations.

JAM 051716

BUREAU OF LAND MANAGEMENT Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201 (575) 627-0272

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 ninety (90) 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 the BLM Roswell Field Office (RFO), prior to the 90th day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action. Unless the well has been properly plugged, the rig shall not be removed from over the hole without prior approval.
- 2. <u>Notification:</u> Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.
- 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 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.
- 4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a 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 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 cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet 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 class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

- 6. Monument: Upon abandonment of the well, 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 covered with a metal plate at least ¼ inch thick and welded in place. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter 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 the BLM Roswell Field Office. 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. **Show date well was plugged.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.