Form 3160-5 (August 2007)

NMOCD

Hobbs

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010

5. Lease Serial No. ALB

6. If Indian, Allottee or Tribe Name

FOR RECORD ONL

NMNM--0 199070B

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 C 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. Double L Queen . Type of Well 8. Well Name and No. Double L Queen #2 Oil Well 2. Name of Operator Burk Royalty Co., Ltd 9. API Well No. 30-005-20308 10. Field and Pool or Exploratory Area Undefined 3b. Phone No. (include area code) la. Address P.O. Box 94903, Wichita Falls, TX 76308 940-397-8600 1. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1. Country or Parish, State SWNW 31, 14S, 30E Chaves 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Notice of Intent Alter Casing Fracture Treat Reclamation New Construction Casing Repair Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 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 must 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 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.) Burk Royalty Co., Ltd. is preparing to plug and abandon this well. Burk Royalty is scheduling a plugging rig for early April, 2017. This work will be done under the attached Bond No. 141880550. We will hire a plugging crew to plug seven wells back-to-back with each plugging job requiring approximately two to three days. Therefore, Burk's plan is to commence and complete the plugging and abandoning of all seven wells in April, 2017. APPROVED FOR 3 MONTH PERIOD SEE ATTACHED FOR **CONDITIONS OF APPROVAL** ENOING JUL 1 3 2017 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Vice President Richard D. Morian Date March 1, 2017 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by neig sgdi david r gear PETROLEUM ENGINEER

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,

(Instructions on page 2)

entitle the applicant to conduct operations thereon.

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

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

PROPOSED P&A PROCEDURE FOR:

DOUBLE L QUEEN, WELL #2 (TRACT 5, WELL 2) LEASE SERIAL NO. NMNM--0 199070B API NO. 30-005-20308

WELL HISTORY:

SPUD: 8/3/1969 COMPLETION: 8/5/1969 ELEV: 3852' GR'

SURFACE: 11" HOLE; 8 5/8" 20# SET @ 300' W/175 SXS CEMENT

PROD CSG: 7 7/8" HOLE; 5 1/2" 15.5# SET @ 2043' W/300 SXS CEMENT

TD: 2045' PBTD: 1996' PERFORATION: 1970-1974.5'

1. Move in and rig up.

2. Rig up wireline unit, set cast iron bridge plug at 1920'.

3. Spot 15 sacks cement at 1920'. -Tage Or Above 1820'

4. Perforate casing at 300'.350'

5. Circulate 125 sacks of cement to the surface

6. Cut off pipe 3' below surface and weld plate on casing.

7. Clean up and move off location.

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. Cement Requirement: 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. Timing Limitation Lease Stipulation / Condition of Approval For Lesser Prairie-Chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1 through June 15 annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D seismic operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.
- 8. <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.