

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

OCD Hobbs

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on page 2

JUN 19 2017

RECEIVED

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Herman L. Loeb LLC		8. Well Name and No. Sholes B, 30-2
3a. Address PO Box 838 Lawrenceville, Ill. 62439	3b. Phone No. (include area code) (618) 943-2227	9. API Well No. 30-025-11840
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit letter E, 1,980' FNL, 660' FWL, Sec 4, 25S, 37E		10. Field and Pool or Exploratory Area Jalmat
		11. Country or Parish, State Lea Co. NM
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 (Start/Resume)	INT TO PA <u>Am X</u> P&A NR _____ P&A R _____
<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 Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleate 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 recompleation 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 detennined that the site is ready for final inspection.)

Note: All work will be performed with a closed loop system. All materials will be disposed of at a licensed disposal site.

1: Set CIBP at 2,700'. Spot 50 sx cmt plug on top of CIBP. (Estimate top of plug @ 2,200')

2: Tag plug and confirm depth. Spot 9.5 ppg Salt Gel spacer fr/top of plug to 1,200'. Perforate 1,200'-1,201'. Attempt to establish an injection rate. If rate is established pump 30 sx cmt and displace to 1,050'. If no injection rate is established TIH and spot 30 sx cmt plug from 1,250'.

3: Tag plug and confirm depth. Spot 9.5 ppg Salt Gel Spacer fr/top of plug to 200'. Perf 200'-201'. Att to establish circ up csg annulus. If circ is established mix & pmp cmt until good cmt to surface, leaving inside full. If no circ is established spot 15 sks cmt @ 350'.

4: Tag plug and confirm depth. Spot 9.5 ppg Salt Gel spacer fr/top of plug to surface. Perforate 60'-61'. Attempt to establish an injection rate or circulate to surface. If circulation is established pump cmt until good cmt to surface and leave inside of 5 1/2" casing full. If no circ but have injection rate pump 30 sx cmt and leave inside of csg full. If no injection rate TIH to 100' and spot cmt plug from 100' to surface. TOH and top off casing.

5: Cut off all casing strings, check cmt depths, cap all casing and install dry hole marker. Restore location.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Michael Polley 719-342-5600		Agent for Hermal L. Loeb LLC	
Signature <u>Michael Polley</u>		Title	
Date		05/31/2017	

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <u>[Signature]</u>	Title <u>Eng</u>	Date <u>6/14/17</u>
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 <u>(FO)</u>		

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)

FOR RECORD ONLY
mw/ocd 06/20/2017

COMPANY: Herman L. Loeb LLCWELL NAME: Sholes B 30-2LEGAL: D-30-255-37EAPI 30-025-11840COMPLETION, WORKOVER
AND
DRILLING SUPERVISION

PHONE: 719-846-3434

MOBILE: 719-342-5600

polleys@gmail.com

VOL. BETWEEN PIPE & HOLE CAP.

	BBL/FT	FT/BBL	CF/LF
4 1/2 - 7 7/8	0406	24.65	2278
5 1/2 - 7 7/8	0309	32.41	1733
8 5/8 - 12 1/4	0735	13.61	4127
9 5/8 - 12 1/4	0558	17.93	3132
13 3/8 - 17 1/2	1924	8.08	6946

TUBING & CASING SIZE & CAP.

	WT	BBL/FT	FT/BBL
2 3/8	4.8	0039	258.05
2 7/8	6.5	0058	172.76
3 1/2	9.3	0087	114.99
4 1/2	10.5	0159	62.70
4 1/2	11.6	0155	64.34
5 1/2	15.5	0238	42.01
5 1/2	17.0	0232	43.02
5 1/2	20.0	0222	45.09
5 1/2	23.0	0212	47.20
8 5/8	32.0	0609	16.41
9 5/8	36.0	0773	12.94

D.P. SIZE _____ TUBING SIZE: _____ CASING SIZE: _____

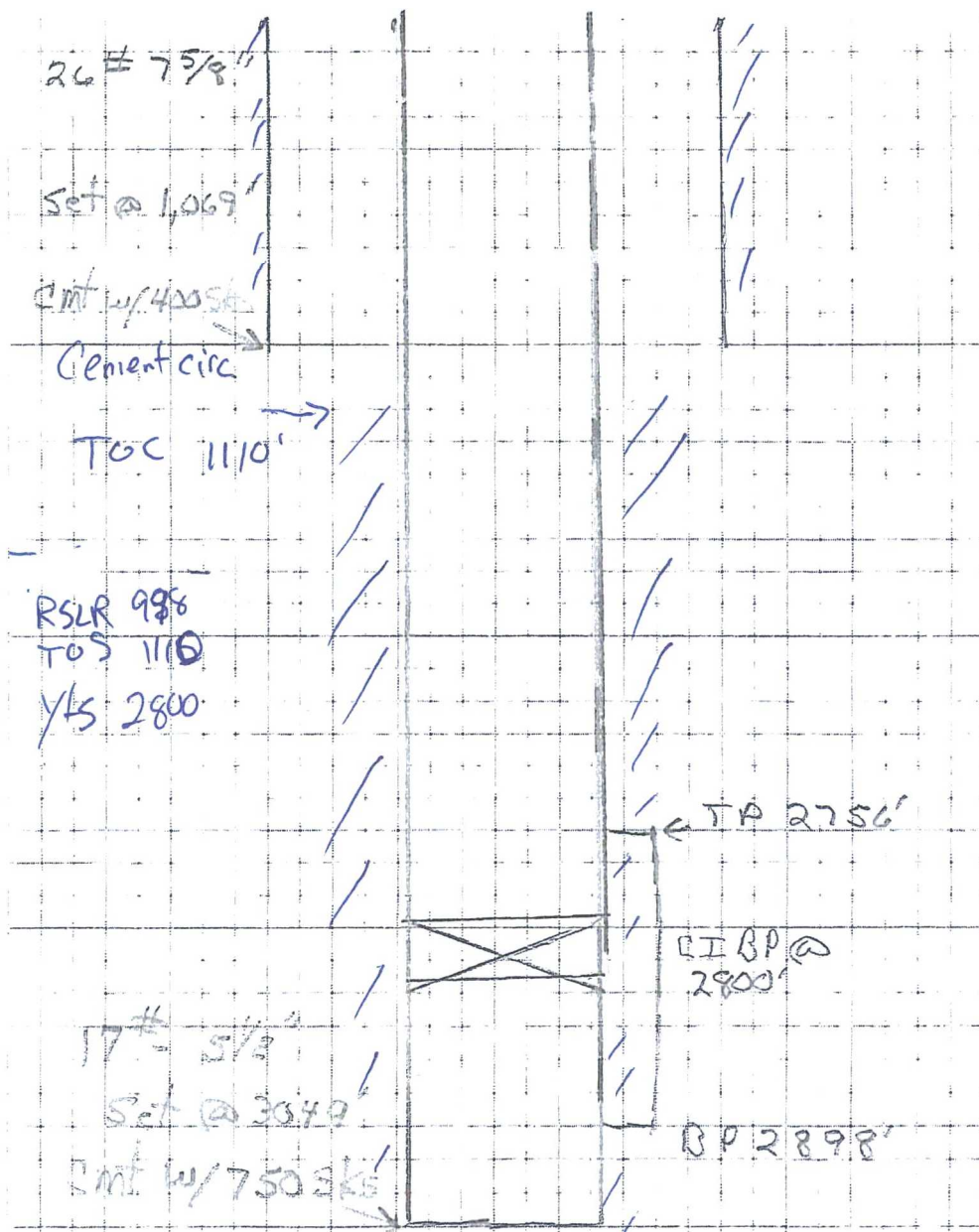
HOLE SIZE: _____ PERFS: _____

PACKER SETTING: _____ BP SETTING: _____ MAX RATE: _____

MAX PSI: _____ BHST: _____ FORM: _____ TAIL PIPE: _____

VOL. BETWEEN PIPE & PIPE CAP.

	WT	BBL/FT	FT/BBL	CF/LF
1/28 - 4 1/2	11.6	0101	99.37	0565
3/8 - 5 1/2	17.0	0178	56.28	0998
7/8 - 5 1/2	17.0	0152	65.71	0854
7/8 - 7	23.0	0313	31.91	1760



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 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 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.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. Notification: 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. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. 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. Mud Requirement: 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 **brine** 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 are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), 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. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

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. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). 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. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three 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. **Show date well was plugged.**

8. Trash: 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 will be required. See attached reclamation objectives.