OCD-HOBBS

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

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.

SUBMIT IN TRIPLICATE - *Other instructions on page 2*

5. Lease Serial No. NM 21644

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No. NM71933

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No. Lynn B-1 #4

2. Name of Operator Burgundy Oil & Gas of New Mexico, Inc.

9. API Well No. 30-025-09428

3a. Address 401 W. Texas Ave., Suite 1003 Midland TX 79701

3b. Phone No. *(include area code)* (432) 684-4033

10. Field and Pool or Exploratory Area Jalmat Tansill Yates 7 Rvers/Pr Gas

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
990' FSL & 990' FWL; UL 'M', Section 26, T23S, R36E

11. Country or Parish, State
Lea, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)
	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete
	☐ Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal

INT TO PA PM
P&A NR
P&A R

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. Attac the Bond under which the work will be perfonned 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 bee 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.)

1. Set CIBP @ 2855' + 20' cmt
2. Set 100' cmt plug @ 2650' - 2750'
3. Set 100' cmt plug @ 1450' - 1550'
4. Set 100' cmt plug @ 289' - 389'
5. Set 50' cmt plug from surf
6. Cut off WH - Install DHM - Clean location

See COA's

No uphole potential exists, current gas zone is depleted.

Plugging to be done with state approved plugging company

HOBBS OCD
DEC 04 2017
RECEIVED

APPROVED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

SUBJECT TO LIKE APPROVAL BY STATE

WITNESS

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
Cindy Campbell

Title Production Assistant

Signature Cindy Campbell

Date 10/24/2017

THE SPACE FOR FEDERAL OR STATE OFICE USE

Approved by Paul R. Swartz 11/28/2017

Title TPET

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 BUREAU OF LAND MANAGEMENT CARLSBAD FIELD 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, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FOR RECORD ONLY
MW/OCD 12/5/2017

(Instructions on page 2)

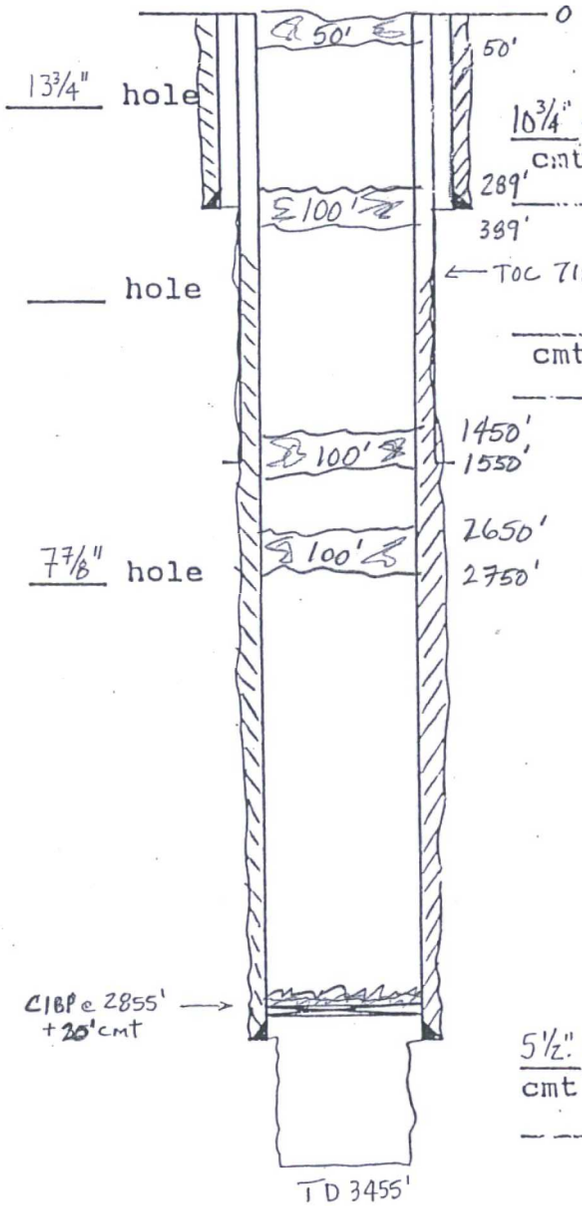
Company	BOGNM		Proposed PxA
Lease	Lynn B-1	WI	
Well No	4	NRI	
Field	JALMAT (TANS-YATES-7 RVR)	Yr Dril'd	4-49
County	Lea	TD	3455'
State	New Mexico	PBTD	3455'
Location	990' FN x 990' FEL Sect. 26	DF	3363'
	T23S R36E ULM - SW/SW	KB-GL	10'

API 30025094 28

Completion		Additional	
Year	5-49	Year	
Perforations	2885-3455'	Perforations	
Formation	Yates 7 RVRS	Formation	
Stimulation	NAT	Stimulation	
Potential	CAOF 5.7 MMcfd	Potential	
	SIP 1165		

Year
Perforations
Formation

Stimulation
Potential



10¾" 40.5# set at 339'
cmt w/ 300sx
toc CIRC

____ hole
____ set at ____
cmt w/ ____
____ toc ____

Well History 2-51 Noted Wtr flw of 55 b/d from BH - SIP 200#
4-11-50 SIWHP 1101 psig (24hr)
4-11-52 SIWHP 1078 psig (168hr)
3-12-58 SIP 850 psig
3-25-66 SIP 530 psig

Tbg plug @ 2991'
10-67 Att to CO to 3455' - DN to 3253' x cored in to 3144'
Plans to run slotted liner 3000-3280 x 3390-3455' - never did
5-72 CO to 3073' - Tbg stk to begin
11-72 CO to 3455' w/ Air Unit SITP 260#
F 400 MCF/24hrs FTP 90# FCP 150#
6-82 KO tbg plug @ 3150' - WIH to 3418'
8-82 KO tbg plug @ 3132' - WIH to 3400' - Swb 5 BLW
5-84 DMP 5 bbls 2% KCL - Swb back x Ret to sales

5½" 17# set at 2885'
cmt w/ 865sx
____ toc ____

BY: BDT
Date: 1/03

Operator: Burgundy Oil & Gas of New Mexico, Inc
Surface Lease: NM21644 **BHL:** NM21644
Case No: NM21644 **Lease Agreement**

Subsurface Concerns for Casing Designs:

Well Status: NOI-Abd
Spud date: 4/14/1949
Plug'd Date:
Reentry Date:

Well: LYNN B 1-4
API: 3002509428
@ Srfce: T23S-R36E,26.990s990w
@ M TD: T23S-R36E,26.990s990w
Estate: P\F\F
CWDW, R of W:
OCD Admn Order, date:
Producing Formation(s): Yates & Seven Rivers

KB: 3364
GL: 3356
Corr: 8

04/??/1949

330, 14.75"hole, 10.75"32.75# H40 ST&C csg, Mix 300sx circ 0sx

(1800 GIS - T Salt)

10/20/1999 MIT held 500psig 30m
11/15/2005 MIT held 590-580psig 30m

05/01/1949

2885, 7.875"hole, 5.5" 14# J55 ST&C csg, Mix 665sx circ 0sx

(2890 GIS - B Salt)

(3007 Yates)

05/??/1968

3144PBTD

3455MTD 4 3/4" open hole

last updated: 11/28/2017

Conditions of Approval

Burgundy Oil & Gas of New Mexico, Inc.
Lynn B-1 04, API 3002509428
T23S-R36E, Sec 26, 990FSL & 990FWL
November 28, 2017

1. **Within 90 days of these conditions of approval for the processed notice of intent begin wellbore operations or request an extension.**
2. **Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location during this workover operation.**
3. Notify 575-393-3612 Lea Co as work begins. If there is no response leave a voice mail with the API#, workover purpose, and a call back phone number.
4. Surface disturbance beyond the existing pad must have prior approval.
5. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
6. Functional H_2S monitoring equipment shall be on location.
7. Blow Out Prevention Equipment 2000 (2M) to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels or automatic locking devices) equipment installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) employed when needed for reasonable well control requirements.
8. Created operation waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during any other crew-intensive operations.
9. The BLM PET is to run tbg tally and agree to cement volumes and placement. Sample each plug for cement curing time and tag and/or pressure test as requested by BLM PET witness.
10. **Cementing procedure is subject to the next three numbered paragraphs.**
11. Mix cement plugs to cover a minimum of 100ft plus 10ft for every 1,000ft to the bottom of the plug, rounding the number of necessary sacks up to the nearest 5 sacks. Never use less than 25sx. Examples: A cement plug set at 8000 in 7" casing would require a min of 35sx. A 25sx plug in 5 ½" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.
12. Class "C" < 7500ft) neat cement plugs(s) will be necessary. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is recommended. Isolation plugs of Class "C" neat cement to be mixed 14.8#/gal, 1.32 ft^3/sx, 6.3gal/sx water.
13. Minimum requirement for mud placed between plugs is 25 sacks of saltwater gel per 100 barrels in 9 lb/gal brine.
14. **Tag PBTD and set a min 55sx balanced "C" cmt plug from PBTD, across the 5 ½" shoe, the Yates formation top and Base of Salt. WOC, and tag the plug with tbg at 2650' or above.**

15. **Pressure test the 5 ½"casing to 500psig after tagging the cement plug set from PBTD.**
16. **Perf the 5 1/2" csg at 1900' or below, open the 5 ½" x 10 ¾" annular vent and establish an injection rate with 9 lb/gal brine.**
17. **Squeeze with a 110sx min "C" cmt through a 5 ½" packer leaving the cmt top in the 5 ½" csg and 5 ½" x 7 7/8" drilled hole annulus at 1450' or above. Close the tubing valve and hold 9 lb/gal displacement fluid in place until the plug sets up. Cover the top of salt. WOC, and tag the plug with tbg at 1450' or above.**
18. **Set the surface shoe plug. Perf the 5 1/2" csg at 400' or below, open the 5 ½" x 10 ¾" annular vent and establish an injection rate with 9 lb/gal brine.**
19. **Establish circulation through the 5 1/2" x 10 3/4" annulus. Fill with (±35sx) "C" cmt and verify the 5 1/2" x 10 3/4" annulus and 5 1/2'' csg from 400'to 250' cemented.**
20. **Perf the 5 1/2" csg at 60' or below, open the 5 ½" x 10 ¾" annular vent and establish an injection rate with 9 lb/gal brine.**
21. **Establish circulation through the 5 1/2" x 10 3/4" annulus. Fill with (±20sx) balanced "C" cmt plug and verify the 5 1/2" x 10 3/4" annulus and 5 1/2'' csg from 60' cemented to surface.**
22. File **subsequent sundry** Form 3160-**5** within 30 days of workover procedures. Include (dated daily) descriptions of the well work, i.e. procedure descriptions and setting depths of each plug in the subsequent sundry.

Reclamation Objectives and Procedures

In Reply Refer To: 1310

Reclamation Objective: At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as needed. This will apply to well pads, facilities, and access roads. Barricade all access road(s) at the starting point. If reserve pits have not been adequately reclaimed due to salts or other contaminants, propose a plan for BLM approval to provide restoration of the pit area.

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 locations and/or access roads not having an approved plan, or an inadequate plan for surface reclamation the operator must submit a proposal describing the procedures for reclamation. The appropriate time for submittal would be when filing the Notice of Intent, or with the Subsequent Sundry Report of Abandonment on Form 3160-5. The final reclamation goal is to be completed within 6 months of wellbore abandonment.
3. With an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It may 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.
4. Upon reclamation conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a BLM specialist to inspect the location to verify work was completed as per approved plans.
5. The BLM approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been tentatively reestablished. If the objectives have not been met BLM will be notify the operator of the required corrective actions.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time the full BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the full BLM objectives have been met, submit a Final Abandonment Notice (FAN) Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time a BLM specialist will again inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability for the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)
Trishia Bad Bear
Natural Resource Specialist
575-393-3612, 575-390-2258 (Cell)
Jesse Bassett
Natural Resource Specialist
575-234-5913, 575-499-5114 (Cell)
Paul Murphy
Natural Resource Specialist

Robertson, Jeffery
Natural Resource Specialist
575-234-2230, 575-706-1920 (Cell)
Vance Wolf
Natural Resource Specialist
575-234-5979
Brooke Wilson
Natural Resource Specialist
575-234-6237
Arthur Arias
Environmental Protection Specialist

757-234-5975, 575-885-9264 (Cell)
Henryetta Price
Environmental Protection Specialist
575-234-5951, 575-706-2780 (Cell)

575-234-6230, 575-499-3378 (Cell)
Shelly Tucker
Environmental Protection Specialist
575-234-5905, 575-361-0084 (Cell)