Operator Copy FORM APPROVED Form 3160-5 UNITED STATES OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT NMNM57730 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 of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2 1 Type of Well 8. Well Name and No. LOWE FEDERAL 01 Oil Well Gas Well 2. Name of Operator BXP OPERATING, LLC 9. API Well No. 30-025-29647 3a. Address 1515 CALLE SUR, SUITE 174 10. Field and Pool or Exploratory Area 3b. Phone No. (include area code) HOBBS, NM 88240 (575) 492-1236 GLADIOLA; WOLFCAMP, SOUTH 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11 Country or Parish, State UL: D SEC 7 T13S R38E 330FNL 330FWL LEA, NM 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) Water Shut-Off ✓ Notice of Intent Alter Casing Hydraulic Fracturing Reclamation Well Integrity Casing Repair New Construction Other 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 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 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.) Changes as COA 05-25-2021 1. Test Anchors SEE ATTACHED FOR 2. RU WSU. NU BOP. Unseat pkr and TOH w/ tubing. 3. RU WL. Run gauge ring to 9600'.
4. TIH w/ 2-7/8" tbg, circulate hole w/ 10# gelled brine, spot 35sxs Class H cement @ 9600'. WOC. Tag. 5. TOH, RU wireline, perf 5-1/2" Prod csg 2 squeeze holes @ 6600' 6. TIH w/pkr&tbg. Pump 50sxs Class H cmt, 50 in & 50 out. WOC. Tag 7. Perf 2 holes @ 4500', Squeeze w/50sxs class C cmt. 50 in & 50 out. WOC. Tag plug.

- 8. Perf 2 holes @ 2550', Squeeze w/50sxs class C cmt. 50 in & 50 out. WOC. Tag plug.
- 9. Perf 2 holes @ 415', Squeeze w/50sxs class C cmt. 50 in & 50 out. Cmt to surface.
- 10. Put 5sxs @ surface. Install dry hole marker. 4" diameter & 6' tall above ground.
- 11. Cut the well head, RD, out anchors, clean location, and move out.
- 12. Rehab within 90 days per BLM & surface owners requirements.

P.S. No earthern pit, all fluids will be contained in steel pit & hauled off to approved disposal facility

CONDITIONS OF APPROVAL

RECLAMATION PROCEDURE ATTACHED

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) M.Y. Merchant	Project Manager Title		
Signature Reform Ced	Date 5/24/2021		
THE SPACE FOR FEDE	RAL OR STATE OFICE USE		
Approved by	Title SPET	Date	5.26-21
Conditions of approval, if any, are attached. Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject lea 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 ralse, fictitious or fraudulent statements or representations as to any matter within		any departm	ent or agency of the United States

(Instructions on page 2)

SUBJECT TO LIKE APPROVAL BY BLM NMOCD 6/29/21

Federal Lease Number: NMNM57730

Well Name and Number: Lowe Federal 01

API Number: 30-25-29647

Legal Description: Section 7, T13S-R38E, Lea County, New Mexico

Operator: BXP Operating, LLC

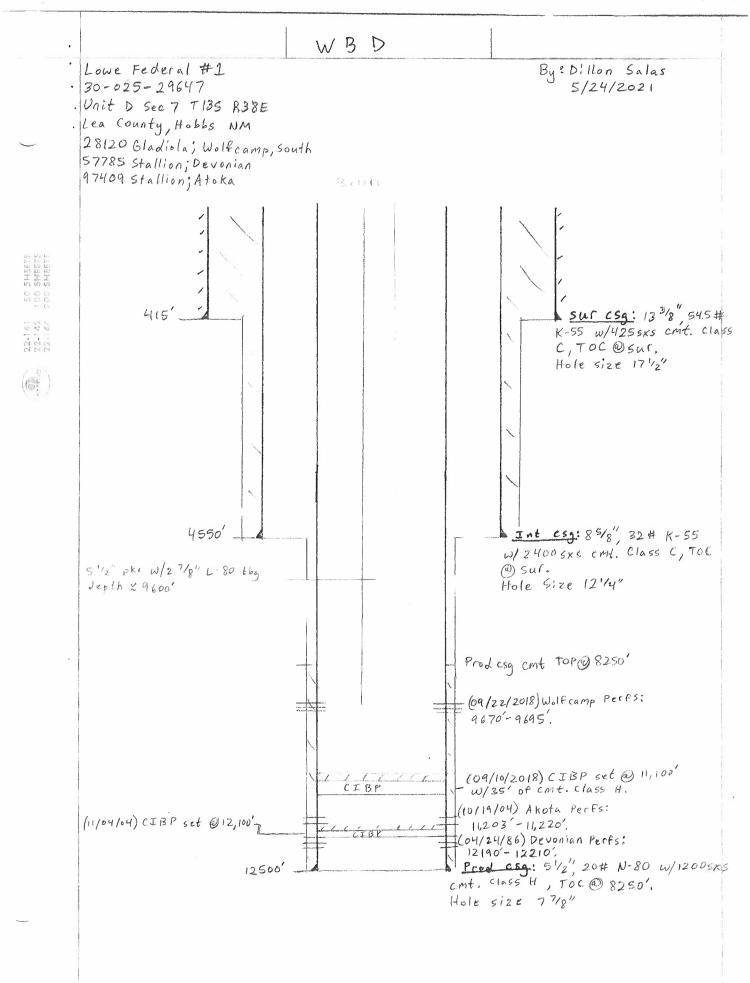
Changes as Conditions of Approval:

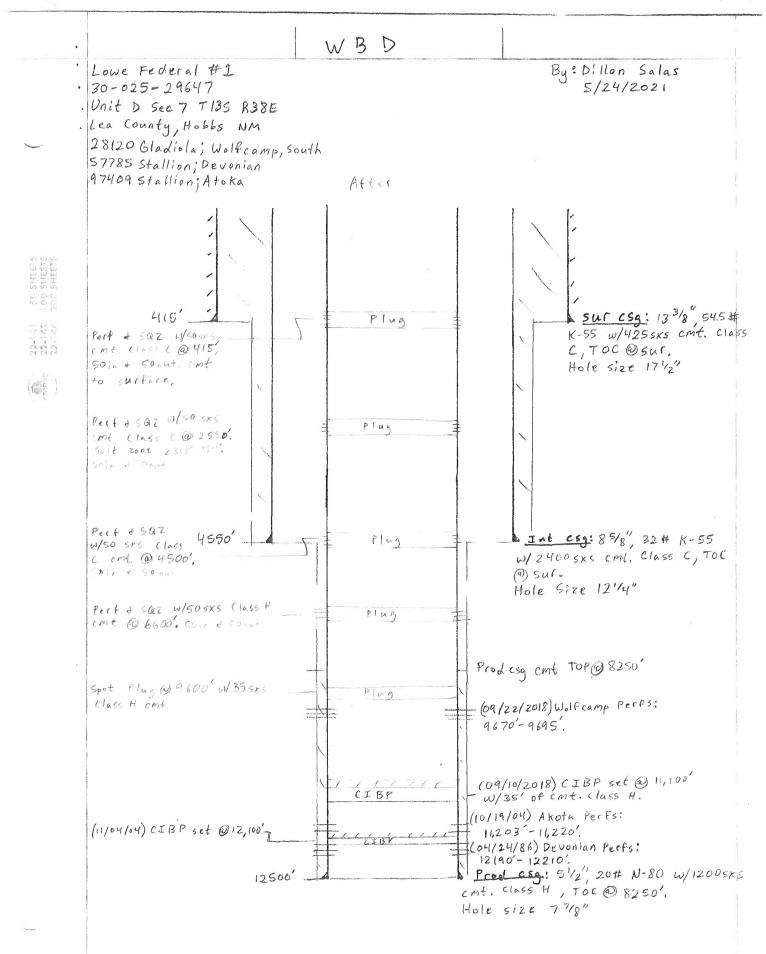
1. Test Anchors.

- 2. RU WSU, NU BOP, Unseat pkr and TOH w/tbg.
- 3. RU WL. Run Gauge ring to 9600'. Set CIBP @ 9600', TIH w/ 2 7/8" tbg, circ hole with 10# gelled brine, spot cement from 9600'-9112' (Covers CIBP and Top of Wolfcamp). WOC tag.
- 4. Perf @ 8015', sqz cmt from 8015'-7835' (Covers Top of ABO). WOC tag.
- 5. Perf @ 6030', sqz cmt from 6030'-5870' (Covers Top of Glorietta). WOC tag.
- 6. Perf @ 4600', sqz cmt from 4600'-4450' (Covers Shoe and Top of San Andres). WOC tag.
- 7. Perf @ 3160', sqz cmt from 3160'-3030' (Covers Base of Salt). WOC tag.
- 8. Perf @ 2413,' sqz cmt from 2413'-2293' (Covers Top of Salt). WOC tag.
- 9. Perf @ 465', sqz cmt from 465'-surface (covers Shoe and surface).
- 10. Cut off well head 3' below ground level, Install dry hole marker4" diameter and 6' tall above ground. RD cut off anchors, clean location and move out.
- 11. Rehab within 6 months per BLM & surface owners requirements.

P.S. No earthern pit, all fluids will be contained in steel pit & hauled off to approved disposal facility.

James A. Amos @ 575-361-2648





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.

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. <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 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. <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 **brine** 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. 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. <u>Subsequent Plugging Reporting:</u> 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. <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 will be required. See attached reclamation objectives.

S TO THE STATE OF THE STATE OF

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

Reclamation Objectives and 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. 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 predisturbance 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 (Contact service companies, allowing plenty of time to have the risers and power lines and poles removed prior to reclamation, don't wait till the last day and try to get them to remove infrastructure). 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 specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- 1. 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). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have 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 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.

- 5. 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.
- 6. 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 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 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 the BLM specialist will 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 of 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 Petroleum Engineering Tech 575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias Environmental Protection Specialist 575-234-6230

Crisha Morgan Environmental Protection Specialist 575-234-5987

Melissa Horn Environmental Protection Specialist 575-234-5951

Kelsey Wade Environmental Protection Specialist 575-234-2220

Trishia Bad Bear, Hobbs Field Station Natural Resource Specialist 575-393-3612

Operator Copy

Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No. 1004-0137 Expires: January 31, 2018

BUREAU OF LAND MANAGEM	ENT	5. Lease Serial No. NMNM57730
SUNDRY NOTICES AND REPORTS (Do not use this form for proposals to drill abandoned well. Use Form 3160-3 (APD) fo	or to re-enter an	6. If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE - Other instructions of	on page 2	7. If Unit of CA/Agreement, Name and/or No.
Type of Well		8. Well Name and No. LOWE FEDERAL 01
2. Name of Operator BXP OPERATING, LLC		9. API Well No. 30-025-29647
	ne No. (include area code)	30-025-29647 10. Field and Pool or Exploratory Area
1919 ONLLE BOIN, BOTTE 174	ne No. (Include area code) 92-1236	GLADIOLA; WOLFCAMP, SOUTH
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) UL. D SEC 7 T13S R38E 330FNL 330FWL		11 Country or Parish, State LEA, NM
12. CHECK THE APPROPRIATE BOX(ES) 1	TO INDICATE NATURE OF NOTI	CE, REPORT OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACT	TION
✓ Notice of Intent ☐ Acidize ☐ Alter Casing ☐ Casing Repair ☐ Casing Repair	Hydraulic Fracturing Recla	uction (Start/Resume) Water Shut-Off amation Well Integrity mplete Other
Change Plans Final Abandonment Notice Convert to Injection		oorarily Abandon r Disposal
the Bond under which the work will be perfonned or provide the Bond No completion of the involved operations. If the operation results in a multip completed. Final Abandonment Notices must be filed only after all require ready for final inspection.) 05-25-2021 1. Test Anchors 2. RU WSU. NU BOP. Unseat pkr and TOH w/ tubing. 3. RU WL. Run gauge ring to 9600'. 4. TIH w/ 2-7/8" tbg, circulate hole w/ 10# gelled brine, spot 35sxs. 5. TOH, RU wireline, perf 5-1/2" Prod csg 2 squeeze holes @ 660. 6. TIH w/pkr&tbg. Pump 50sxs Class H cmt, 50 in & 50 out. WOC. 7. Perf 2 holes @ 4500', Squeeze w/50sxs class C cmt. 50 in & 50. Perf 2 holes @ 450', Squeeze w/50sxs class C cmt. 50 in & 50. Perf 2 holes @ 415', Squeeze w/50sxs class C cmt. 50 in & 50. D. Put 5sxs @ surface. Install dry hole marker. 4" diameter & 6' ts. 11. Cut the well head, RD, cut anchors, clean location, and move 12. Rehab within 90 days per BLM & surface owners requirements.	le completion or recompletion in a rements, including reclamation, have a Class H cement @ 9600'. WOC 0'. Tag. O out. WOC. Tag plug. O out. WOC. Tag plug. Out. Cmt to surface. all above ground. out. d off to approved disposal facility	new interval, a Form 3160-4 must be filed once testing has been been completed and the operator has detennined that the site seen completed and the operator has detennined that the site seen completed and the operator has detennined that the site seen completed and the operator has detennined that the site seen completed and the operator has detennined that the site seen completed and the operator has detennined that the site seen completed and the operator has detennined that the site seen completed and the operator has detennined that the site seen completed and the operator has detennined that the site seen completed and the operator has detennined that the site seen completed and seen
14. I hereby certify that the foregoing is true and correct. Name (<i>Printed/Typed</i> M.Y. Merchant	Project Manager Title	
Signature Kerfelf Cel	Date 5/24/20:	2 /
THE SPACE FOR F	EDERAL OR STATE OF	CE USE
Approved by Conditions of approval, if any, are attached. Approval of this notice does not we certify that the applicant holds legal or equitable title to those rights in the subjection 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 any false, fictitious or fraudulent statements or representations as to any matter	for any person knowingly and willfu	Date 5.26-2/ ully to make to any department or agency of the United States
(Instructions on page 2)		

Federal Lease Number:

NMNM57730

Well Name and Number:

Lowe Federal 01

API Number:

30-25-29647

Legal Description:

Section 7, T13S-R38E, Lea County, New Mexico

Operator:

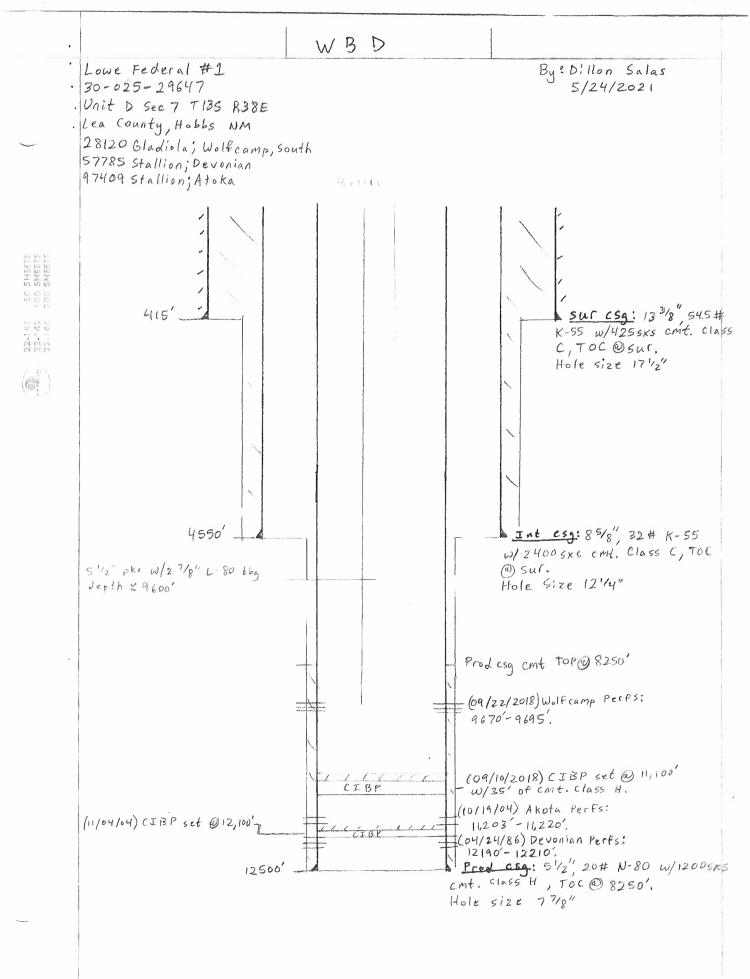
BXP Operating, LLC

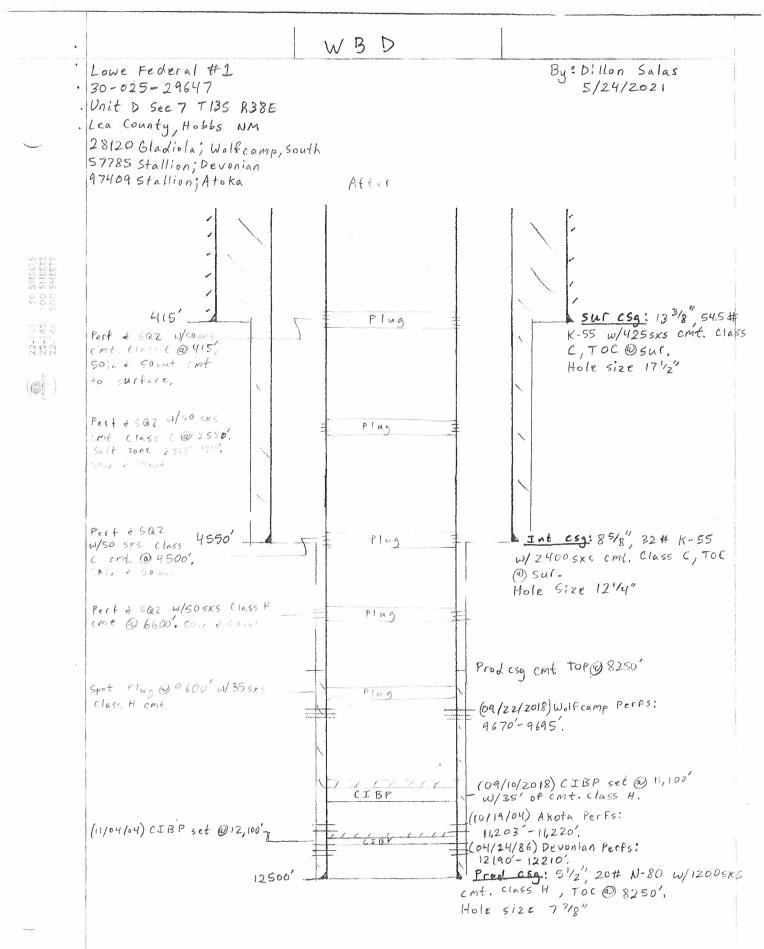
Changes as Conditions of Approval:

- 1. Test Anchors.
- 2. RU WSU, NU BOP, Unseat pkr and TOH w/tbg.
- 3. RU WL. Run Gauge ring to 9600'. Set CIBP @ 9600', TIH w/ 2 7/8" tbg, circ hole with 10# gelled brine, spot cement from 9600'-9112' (Covers CIBP and Top of Wolfcamp). WOC tag.
- 4. Perf @ 8015', sqz cmt from 8015'-7835' (Covers Top of ABO). WOC tag.
- 5. Perf @ 6030', sqz cmt from 6030'-5870' (Covers Top of Glorietta). WOC tag.
- 6. Perf @ 4600', sqz cmt from 4600'-4450' (Covers Shoe and Top of San Andres). WOC tag.
- 7. Perf @ 3160', sqz cmt from 3160'-3030' (Covers Base of Salt). WOC tag.
- 8. Perf @ 2413,' sqz cmt from 2413'-2293' (Covers Top of Salt). WOC tag.
- 9. Perf @ 465', sqz cmt from 465'-surface (covers Shoe and surface).
- 10. Cut off well head 3' below ground level, Install dry hole marker4" diameter and 6' tall above ground. RD cut off anchors, clean location and move out.
- 11. Rehab within 6 months per BLM & surface owners requirements.

P.S. No earthern pit, all fluids will be contained in steel pit & hauled off to approved disposal facility.

James A. Amos @ 575-361-2648





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.

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. <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 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. <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 **brine** 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. 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. <u>Subsequent Plugging Reporting:</u> 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. <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 will be required. See attached reclamation objectives.

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

Reclamation Objectives and 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. 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 predisturbance 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 (Contact service companies, allowing plenty of time to have the risers and power lines and poles removed prior to reclamation, don't wait till the last day and try to get them to remove infrastructure). 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 specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- 1. 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). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have 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 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.

- 5. 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.
- 6. 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 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 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 the BLM specialist will 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 of 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 Petroleum Engineering Tech 575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias Environmental Protection Specialist 575-234-6230

Crisha Morgan Environmental Protection Specialist 575-234-5987

Melissa Horn Environmental Protection Specialist 575-234-5951

Kelsey Wade Environmental Protection Specialist 575-234-2220

Trishia Bad Bear, Hobbs Field Station Natural Resource Specialist 575-393-3612

Operator Copy

Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No. 1004-0137 Expires: January 31, 2018

	LAPITOS.	Junual y	,
Lease Serial No).	457700	

DE.	FARTIVIENT OF THE	NUMBERIOR				Ditp.i.v.		
BUREAU OF LAND MANAGEMENT		5. Lease Scrial No. NMNM57730						
Do not use this	NOTICES AND REPO form for proposals Use Form 3160-3 (A	to drill or	to re-enter ar	,	6. If Indian, Al	ottee or Ti	ibe Name	
SUBMIT IN	TRIPLICATE - Other instr	uctions on pa	ge 2		7. If Unit of CA	/Agreeme	nt, Name and/or No).
Type of Well					8. Well Name a	nd No. , o	WE FEDERAL 01	
2. Name of Operator BXP OPERATII					9. API Well No	LC	WE FEDERAL 0'	
2 4 1 1		3h Phone No	. (include area coa		IO. Field and P			
HOBBS, NM 88240		(575) 492-1	•		GLADIOLA; WOLFCAMP, SOUTH			
4. Location of Well (Foolage, Sec., T., T UL: D SEC 7 T13S R38E 330FNL					11 Country or LEA, NM	Parish, Sta	te	
12. CHE	CK THE APPROPRIATE B	OX(ES) TO IN	IDICATE NATUR	E OF NOTIO	CE, REPORT O	R OTHER	. DATA	
TYPE OF SUBMISSION			TY	PE OF ACT	ION .			
✓ Notice of Intent	Acidize Alter Casing	Dee Hyd	pen raulic Fracturing		iction (Start/Resimation	ume) [Water Shut-Off Well Integrity	
Subsequent Report	Casing Repair Change Plans		Construction and Abandon	=	mplete orarily Abandoi	. [Other	
Final Abandonment Notice	Convert to Injection		Back		Disposal	1		
completion of the involved operation completed. Final Abandonment Not is ready for final inspection.) 05-25-2021 1. Test Anchors 2. RU WSU. NU BOP. Unseat pages of the season of the	okr and TOH w/ tubing. 600'. 101e w/ 10# gelled brine, sp. 102e w/50sxs class C cmt. 50 cmt	oot 35sxs Class @ 6600'. ut. WOC. Tag io in & 50 out. io in & 50 out. iter & 6' tall ab ind move out. uirements.	ss H cement @ 9 WOC. Tag plug. WOC. Tag plug. Cmt to surface. ove ground.	9600'. WOC	been completed. AS Tag.	SEE A	4 must be filed one perator has detenning of a control of	FOR APPRO
14. I hereby certify that the foregoing is t M.Y. Merchant	true and correct. Name (Prin	ited/Typed)	Project Ma	ınager				
Signature Red	Shows		Date 5/29	1/202	2 /			
	THE SPACE	FOR FED	ERAL OR ST	ATE OF	CE USE			
Approved by Conditions of approval, if any, are attached certify that the applicant holds legal or experience.	juitable title to those rights in		ase Office	PET		Date	5.26	·-2f
wifich would entitle the applicant to cond Title 18 U.S.C Section 1001 and Title 43 any false, fictitious or fraudulent statemen	U.S.C Section 1212, make it		y person knowing	y and willfu	illy to make to a	ny departr	ment or agency of th	e United States

(Instructions on page 2)

Federal Lease Number:

NMNM57730

Well Name and Number:

Lowe Federal 01

API Number:

30-25-29647

Legal Description:

Section 7, T13S-R38E, Lea County, New Mexico

Operator:

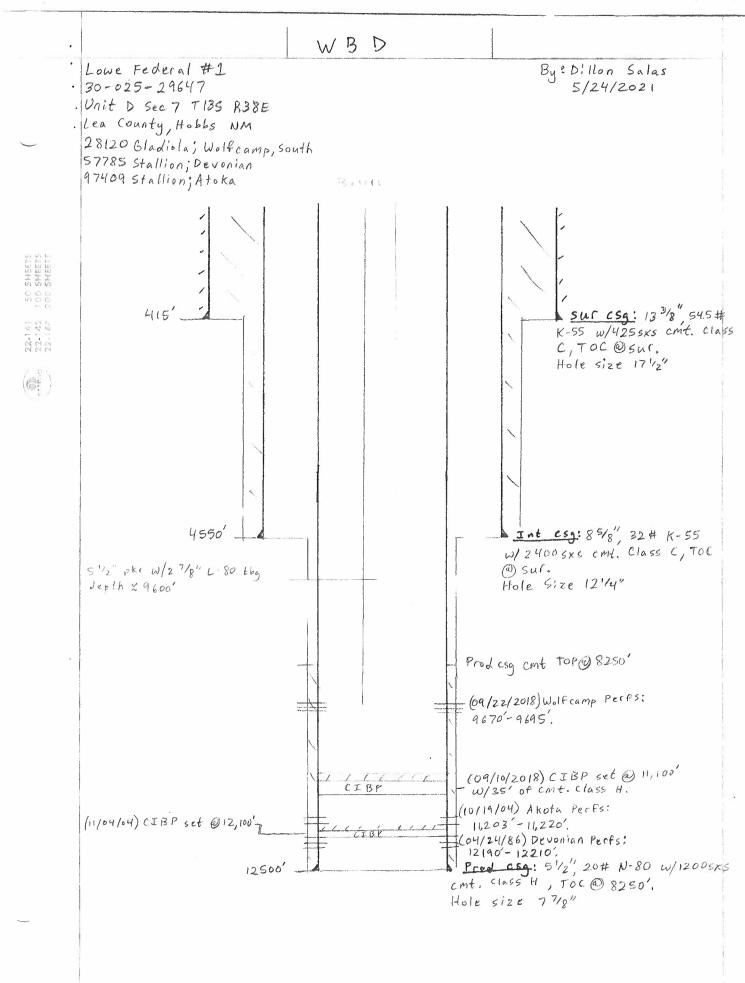
BXP Operating, LLC

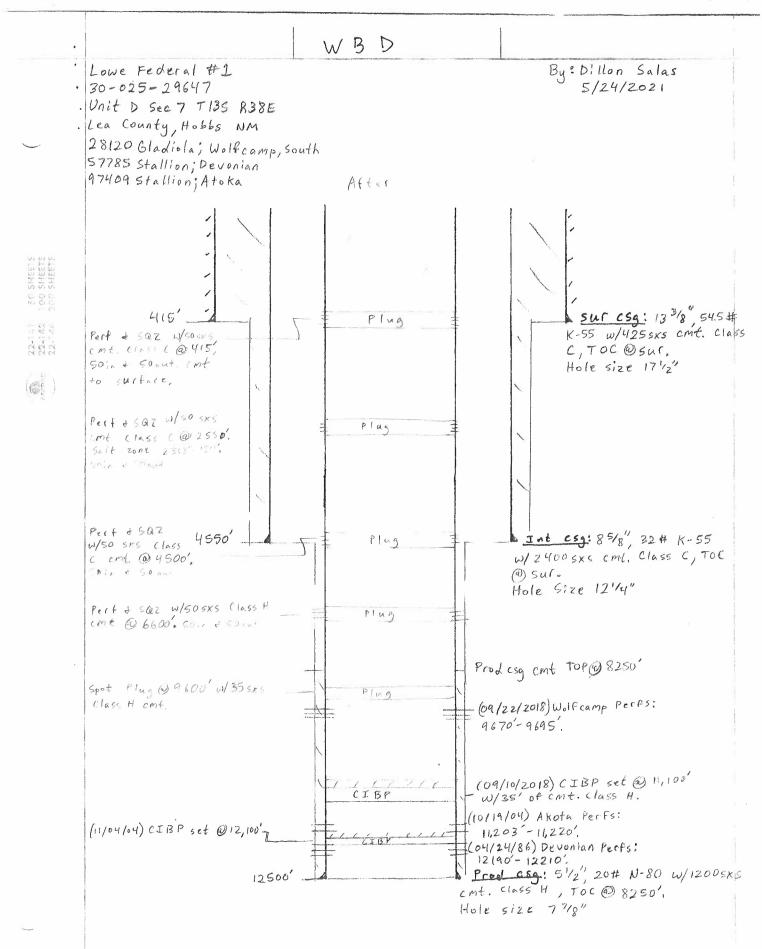
Changes as Conditions of Approval:

- 1. Test Anchors.
- 2. RU WSU, NU BOP, Unseat pkr and TOH w/tbg.
- 3. RU WL. Run Gauge ring to 9600'. Set CIBP @ 9600', TIH w/ 2 7/8" tbg, circ hole with 10# gelled brine, spot cement from 9600'-9112' (Covers CIBP and Top of Wolfcamp). WOC tag.
- 4. Perf @ 8015', sqz cmt from 8015'-7835' (Covers Top of ABO). WOC tag.
- 5. Perf @ 6030', sqz cmt from 6030'-5870' (Covers Top of Glorietta). WOC tag.
- 6. Perf @ 4600', sqz cmt from 4600'-4450' (Covers Shoe and Top of San Andres). WOC tag.
- 7. Perf @ 3160', sqz cmt from 3160'-3030' (Covers Base of Salt). WOC tag.
- 8. Perf @ 2413,' sqz cmt from 2413'-2293' (Covers Top of Salt). WOC tag.
- 9. Perf @ 465', sqz cmt from 465'-surface (covers Shoe and surface).
- 10. Cut off well head 3' below ground level, Install dry hole marker4" diameter and 6' tall above ground. RD cut off anchors, clean location and move out.
- 11. Rehab within 6 months per BLM & surface owners requirements.

P.S. No earthern pit, all fluids will be contained in steel pit & hauled off to approved disposal facility.

James A. Amos @ 575-361-2648





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.

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. <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 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. <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 **brine** 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. 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. <u>Subsequent Plugging Reporting:</u> 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. <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 will be required. See attached reclamation objectives.

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

Reclamation Objectives and 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. 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 predisturbance 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 (Contact service companies, allowing plenty of time to have the risers and power lines and poles removed prior to reclamation, don't wait till the last day and try to get them to remove infrastructure). 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 specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- 1. 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). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have 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 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.

- 5. 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.
- 6. 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 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 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 the BLM specialist will 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 of 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 Petroleum Engineering Tech 575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias Environmental Protection Specialist 575-234-6230

Crisha Morgan Environmental Protection Specialist 575-234-5987

Melissa Horn Environmental Protection Specialist 575-234-5951

Kelsey Wade Environmental Protection Specialist 575-234-2220

Trishia Bad Bear, Hobbs Field Station Natural Resource Specialist 575-393-3612

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 29776

CONDITIONS

Operator:	OGRID:
BXP Operating, LLC	329487
P.O. Box 7227	Action Number:
Dallas, TX 75209	29776
	Action Type:
	[C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kfortner	Approved with like approval from BLM	6/29/2021