

Well Name: SHEARN FED	Well Location: T19S / R32E / SEC 15 / NWNW / 32.665835 / -103.760503	County or Parish/State: LEA / NM
Well Number: 03	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM063530	Unit or CA Name:	Unit or CA Number:
US Well Number: 300252672800S1	Operator: MULLOY OPERATING INC	

Notice of Intent

Sundry ID: 2808656

Type of Submission: Notice of Intent

Date Sundry Submitted: 08/27/2024

Date proposed operation will begin: 08/25/2024

Type of Action: Plug and Abandonment

Time Sundry Submitted: 10:56

Procedure Description:

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Shearn_Federal_3_Plug_and_Abandon_Sundry_Notice_with_WBDs_20240827105613.pdf

Received by OCD: 9/25/2024 4:07:18 PM

Well Name: SHEARN FED

Well Location: T19S / R32E / SEC 15 / NWNW / 32.665835 / -103.760503

County or Parish/State: LEA / NM

Well Number: 03

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM063530

Unit or CA Name:

Unit or CA Number:

US Well Number: 300252672800S1

Operator: MULLOY OPERATING INC

Conditions of Approval

Specialist Review
Shearn_Fed_3_Sundry_ID_2808656_P_A_20240924080505.pdf

Operator

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: MIKAH THOMAS

Signed on: AUG 27, 2024 10:56 AM

Name: MULLOY OPERATING INC

Title: Owner

Street Address: 6102 E COUNTY ROAD 59

City: MIDLANDState: TX

Phone: (432) 661-7106

Email address: MIKAH.THOMAS@PERMIANCOMPLIANCE.COM

Field

Representative Name:

Street Address:

City:State:Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: LONG VO

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5759885402

BLM POC Email Address: LVO@BLM.GOV

Disposition: Approved

Disposition Date: 09/24/2024

Signature: Long Vo

Form 3160-5
(June 2019)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

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.

5. Lease Serial No.	
6. If Indian, Allottee or Tribe Name	
7. If Unit of CA/Agreement, Name and/or No.	
8. Well Name and No.	
9. API Well No.	
10. Field and Pool or Exploratory Area	11. Country or Parish, State

SUBMIT IN TRIPLICATE - Other instructions on page 2	
1. Type of Well	
<input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator	
3a. Address	3b. Phone No. (include area code)
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description)	

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA				
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input 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 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.)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)	Title
Signature	Date

THE SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by	Title	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	

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(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

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Additional Information

Location of Well

0. SHL: NWNW / 660 FNL / 660 FWL / TWSP: 19S / RANGE: 32E / SECTION: 15 / LAT: 32.665835 / LONG: -103.760503 (TVD: 0 feet, MD: 0 feet)

BHL: NWNW / 660 FNL / 660 FWL / TWSP: 19S / SECTION: / LAT: 32.665835 / LONG: 103.760503 (TVD: 0 feet, MD: 0 feet)

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.5. Lease Serial No. **NMNM063530**

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator **Mulloy Operating Inc.**3a. Address **415 W. Wall-Suite 200
Midland, TX 79701**3b. Phone No. (include area code)
(432) 687-0323

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

8. Well Name and No. **Shearn Federal 3**9. API Well No. **30-025-26728**10. Field and Pool or Exploratory Area
Lusk; Yates, Northeast4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit D 660' FNL & 660' FWL Section 15 T19S R32E11. Country or Parish, State
Lea County, 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)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
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1. MIRU and remove wellhead
2. RIH and tag CIBP set at 2850'. Set 40 SX cement plug over CIBP.
3. Cement with 110 SX from 450' back to surface.
4. P&A mud between plugs and closed loop system.
5. Cut off casing and install below ground dry hole marker.
6. Haul any fluids from wellbore to licensed facility for disposal.
7. Clean location and prep for reclamation.

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

Gary Mulloy

President

Title

Signature

Date

8.23.24**THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

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

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BEFORE

WELL COMPLETION SKETCHES

5036-4-A

WELL

FIELD

DATE

SHEARN FEDERAL No.3 NORTHEAST LWSK

8-1-2024



PRESENT COMPLETION

SUGGESTED COMPLETION

PERMANENT WELL BORE DATA

DATA ON THIS COMPLETION

13 3/8", 48# SURF CSG
CS ± 400'. CMT'D W/
450 SKS. CIRC 25 SKS

KB: 3650

GL: 3632

8 5/8", 32# 24" INTER
CSG. CS ± 4200'. CMT'D
W/ TOTAL 1000 SKS IN
2 STAGES. CIRC 25 SKS

CIBP ± 2850

VATES PERFS 2950-56,
2 IFF, TOTAL 13 HOLES

CIBP ± 4036

CMT PLUG 70 SKS FROM
4250 - 4038

CUT 4 1/2" CSG ± 7350

30 SK PLUG 5675 - 5530

50 SK PLUG 7425 - 7195

TOC ± 8090

CIBP ± 9650, 20' CMT AFTER
BASE SPRINGS PERFS 9750
SB, TO 9702

CIBP ± 9850, 25' CMT AFTER
BASE SPRINGS PERFS 9884-E
9702-04, 9720-24, 9726-28

4 1/2", 11.6 # 13.5 #
PROD CSG. CS ± 13049
CMT'D W/ TOTAL 950 SKS
IN 2 STAGES. TOC ± 8090

CIBP ± 10475, 4 SKS AFTER
WOLF CAMP PERFS 10490
TO 10636

CIBP ± 12495, 25 SKS AFTER
MORROW PERFS 12,596 TO
12,152

13049

AFTER

WELL COMPLETION SKETCHES

5036-4-A

WELL

FIELD

DATE

SHENAN FEDERAL No. 3 NORTHEAST LUSK

8-1-2024

☐ PRESENT COMPLETION☒ SUGGESTED COMPLETION

PERMANENT WELL BORE DATA

DATA ON THIS COMPLETION

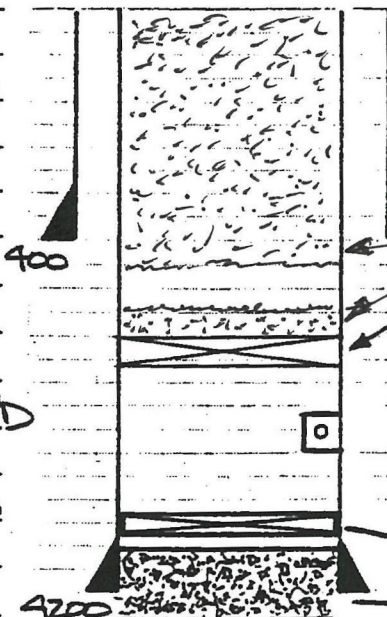
13 3/8", 48# SURF CSG
CS ± 400'. CMT'D W/
450 SKS. CIRC 25 SKS

8 5/8", 32# 24# INTER
CSG. CS ± 4200'. CMT'D
W/ TOTAL 1000 SKS IN
2 STAGES. CIRC 25 SKS

CJT 4 1/2" CSG ± 7350

TOC ± 8090

4 1/2", 11.6 # 13.5 #
PROD CSG. CS ± 13049
CMT'D W/ TOTAL 950 SKS
IN 2 STAGES. TOC ± 8090



KB: 31650

GL: 3632

110 SK PLUG

40 SK PLUG

CIBP ± 2850

VATES PERFS 2950-56,
2 STAGE, TOTAL 13 HOLES

CIBP ± 4036

CMT PLUG 70 SKS FROM
4250 - 4038

30 SK PLUG 5635 - 5530

50 SK PLUG 7425 - 7195

CIBP ± 9650, 20' CMT AFTER
BASE SPRINGS PERFS 9150
SB, TO 9102

CIBP ± 9850, 25' CMT AFTER
BASE SPRINGS PERFS 9884-E
9102-04, 9120-24, 9126-28

CIBP ± 10475, 4 SKS AFTER
WOLF CAMP PERFS 10490
TO 10636

CIBP ± 12495, 25 SKS AFTER
MORROW PERFS 12,916 TO
12 152

13049

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Sundry Print Report

09/23/2024

Well Name: SHEARN FED	Well Location: T19S / R32E / SEC 15 / NWNW / 32.665835 / -103.760503	County or Parish/State: LEA / NM
Well Number: 03	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM063530	Unit or CA Name:	Unit or CA Number:
US Well Number: 300252672800S1	Operator: MULLOY OPERATING INC	

Notice of Intent

Sundry ID: 2808656

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 08/27/2024

Time Sundry Submitted: 10:56

Date proposed operation will begin: 08/25/2024

Procedure Description:

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Shearn_Federal_3_Plug_and_Abandon_Sundry_Notice_with_WBDs_20240827105613.pdf

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Well Name: SHEARN FED	Well Location: T19S / R32E / SEC 15 / NWNW / 32.665835 / -103.760503	County or Parish/State: LEA / NM
Well Number: 03	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM063530	Unit or CA Name:	Unit or CA Number:
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Operator

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Operator Electronic Signature: MIKAH THOMAS**Signed on:** AUG 27, 2024 10:56 AM**Name:** MULLOY OPERATING INC**Title:** Owner**Street Address:** 6102 E COUNTY ROAD 59**City:** MIDLAND**State:** TX**Phone:** (432) 661-7106**Email address:** MIKAH.THOMAS@PERMIANCOMPLIANCE.COM**Field****Representative Name:****Street Address:****City:****State:****Zip:****Phone:****Email address:**

Form 3160-5
(June 2019)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021**SUNDRY NOTICES AND REPORTS ON WELLS**
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5. Lease Serial No. NMNM063530

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No. SHEARN FED/03

2. Name of Operator

MULLOY OPERATING INC

9. API Well No. 3002526728

3a. Address STREET ADDRESS 415 W WALL ST SUITE 2

3b. Phone No. (include area code)
(432) 687-032310. Field and Pool or Exploratory Area
NE LUSK/NE LUSK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEC 15/T19S/R32E/NMP

11. Country or Parish, State
LEA/NM

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

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* See Attached

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

MIKAH THOMAS / Ph: (432) 661-7106

Title Owner

Signature (Electronic Submission)

Date 08/27/2024

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Long Vo [Signature]

Title Petroleum Engineer

Date 9/23/2024

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Office CFO

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AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

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ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: NWNW / 660 FNL / 660 FWL / TWSP: 19S / RANGE: 32E / SECTION: 15 / LAT: 32.665835 / LONG: -103.760503 (TVD: 0 feet, MD: 0 feet)

BHL: NWNW / 660 FNL / 660 FWL / TWSP: 19S / SECTION: / LAT: 32.665835 / LONG: 103.760503 (TVD: 0 feet, MD: 0 feet)

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

5. Lease Serial No. NMNM063530

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator **Mulloy Operating Inc.**3a. Address **415 W. Wall-Suite 200
Midland, TX 79701**3b. Phone No. (include area code)
(432) 687-03234. Location of Well (Footage, Sec., T.R.M., or Survey Description)
Unit D 660' FNL & 660' FWL Section 15 T19S R32E

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

8. Well Name and No. **Shearn Federal 3**9. API Well No. **30-025-26728**10. Field and Pool or Exploratory Area
Lusk; Yates, Northeast11. Country or Parish, State
Lea County, 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)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<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 recomple 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.)

1. MIRU and remove wellhead *Dump bail 35'*
2. RIH and tag CIBP set at 2850'. *Set 30 SX cement plug over CIBP.*
3. *Cement with 110 SX from 450' back to surface.*
4. P&A mud between plugs and closed loop system.
5. Cut off casing and install below ground dry hole marker.
6. Haul any fluids from wellbore to licensed facility for disposal.
7. Clean location and prep for reclamation.

*Leak test CIBP. Perf & Spz from 2800' to 2683'. (In 8 sxs/Out 2 sxs)
WOC & TAG.*

Perf & Squeeze from 1456' to 1341'. WOC & TAG (In 8 sxs/Out 20 sxs)

*Perf & squeeze from 450' to surf. Verify @ surf.
(In 30 sxs/Out 79 sxs).*

** Run CBL from CIBP to surface.*

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

Gary Mulloy

President

Title

Signature

Date

8.23.24**THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

*Long V.*Title *Petroleum Engineer*

Date

9/25/2024

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 **CFO**

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)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

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BEFORE

WELL COMPLETION SKETCHES s

50364-A

WELL

FIELD

DATE

SHEARN FEDERAL No. 3 NORTHEAST LWSK

8-1-2024



PRESENT COMPLETION

SUGGESTED COMPLETION

PERMANENT WELL BORE DATA

DATA ON THIS COMPLETION

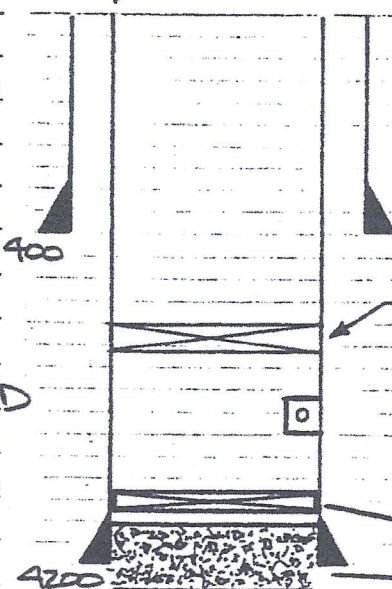
13 3/8", 48# SURF CSG
CS ± 400'. CMT'D W/
450 SKS. CIRC 25 SKS

8 5/8", 32# 24" INTER
CSG. CS ± 4200'. CMT'D
W/ TOTAL 1000 SKS IN
2 STAGES. CIRC 25 SKS

CUT 4 1/2" CSG ± 7350

TOC ± 8090

4 1/2", 11.6 # 13.5 #
PROD CSG. CS ± 13049
CMT'D W/ TOTAL 950 SKS
IN 2 STAGES. TOC ± 8090



KB: 3650

GL: 3632

CIBP ± 2850

VATES PERFS 2950-50,
2 STG, TOTAL 13 HOLES

CIBP ± 4036

CMT PLUG 70 SKS FROM
4250 - 4038

30 SK PLUG 5625 - 5530

50 SK PLUG 7425 - 7195

CIBP ± 9650, 20' CMT AT TOP
BASE SPRINGS PERFS 9750
50, TO 9702

CIBP ± 9850, 25' CMT AT TOP
BASE SPRINGS PERFS 9880-9
9902-04, 9920-24, 9926-28

CIBP ± 10475, 4 SKS AT TOP
WOLF CAMP PERFS 10490
TO 10636

CIBP ± 12495, 25 SKS AT TOP
MORROW PERFS 12,996 TO
12 152

13049

AFTER

WELL COMPLETION SKETCHES

5036-4-A

WELL

FIELD

DATE

SHEARN FEDERAL NO. 3 NORTHEAST LUSK

8-1-2024



PRESENT COMPLETION



SUGGESTED COMPLETION

PERMANENT WELL BORE DATA

DATA ON THIS COMPLETION

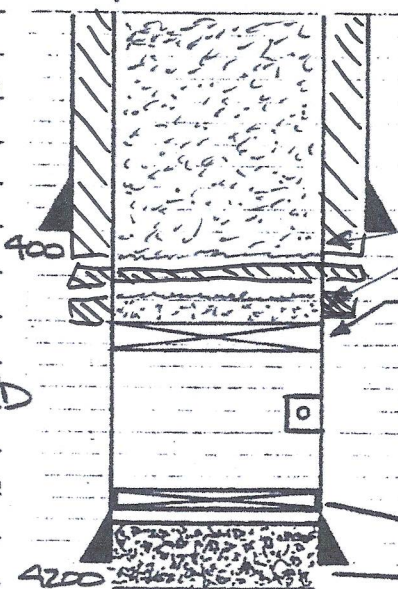
13 3/8" 48# SURF CSG
CS ± 400'. CMT'D W/
450 SKS. CIRC 25 SKS

8 5/8" 32# 24" INTER
CSG. CS ± 4200'. CMT'D
W/ TOTAL 1000 SKS IN
2 STAGES. CIRC 25 SKS

CUT 4 1/2" CSG ± 7350

TOC ± 8090

4 1/2" 116 # 13.5 #
PROD CSG. CS ± 13049
CMT'D W/ TOTAL 950 SKS
IN 2 STAGES. TOC ± 8090



KB: 31650

GL: 31632

~~WATER RING~~
~~WATER RING~~ * See procedure
CIBP ± 2850

VATES PERFS 2950-56,
2 JSTF, TOTAL 13 HOLES

CIBP ± 4036

CMT PLUG 70 SKS FROM
4250 - 4038

30 SK PLUG 5625 - 5530

50 SK PLUG 7425 - 7195

CIBP ± 9650, 20' CMT AFTER
BASE SPRINGS PERFS 9150
SB, TO 9102

CIBP ± 9850, 25' CMT AFTER
BASE SPRINGS PERFS 9884-E
9102-04, 9120-24, 9126-28

CIBP ± 10475, 4 SKS AFTER
WOLF CAMP PERFS 10450
TO 10636

CIBP ± 12495, 25 SKS AFTER
MORROW PERFS 12,916 TO
12 152

13049

**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 (LPC Habitat)**

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 575-689-5981.

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 **fresh** 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 for Class C or accelerated cement (calcium chloride) and 6 hours for Class H. Tagging the plug means running in the hole with a string of tubing or drill pipe and placing sufficient weight on the plug to ensure its integrity. Other methods of tagging the plug may be approved by the BLM authorized officer or BLM field representative.

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.

Fluid used to mix the cement in R111Q shall be saturated with the salts common to the section penetrated, and in suitable proportions but not less than 1% and not more than 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): 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 *BY PHONE* (numbers listed in 2. Notifications) 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.**

Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings 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. A weep hole shall be left in the plate and/or casing. The following information shall be permanently inscribed on the plate: well name and number, name of 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).

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

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.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted



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 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/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 (across the slope 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/Environmental Protection Specialist
575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias
Environmental Protection Specialist
575-234-6230

Crisha Morgan
Environmental Protection Specialist
575-234-5987

Jose Martinez-Colon
Environmental Protection Specialist
575-234-5951

Mark Mattozzi
Environmental Protection Specialist
575-234-5713

Robert Duenas
Environmental Protection Specialist
575-234-2229

Doris Lauger Martinez
Environmental Protection Specialist
575-234-5926

Jaden Johnston
Environmental Protection Asst. (Intern)
575-234-6252

Sundry ID

2808656

Plug Type	Top	Bottom	Length	Tag	Sacks	Cement Class	Notes
Surface Plug	0.00	100.00	100.00	Tag/Verify			
13.375 inch- Shoe Plug	346.00	450.00	104.00	Tag/Verify	109.00	C	Perf and squeeze from 450' to surface. Verify at surface. (In 30 sxs/Out 79 sxs)
Top of Salt @ 1406	1341.94	1456.00	114.06	Tag/Verify	28.00	C	Perf and squeeze from 1456' to 1341'. WOC and Tag. (In 8 sxs/Out 20 sxs)
Base of Salt @ 2761	2683.39	2811.00	127.61	Tag/Verify			
Yates @ 2782	2704.18	2832.00	127.82	If solid base no need to Tag (CIBP present and/or Mechanical Integrity Test), If Perf & Sqz then Tag, Leak Test all CIBP if no Open Perforations	29.00	C	Perf and squeeze from 2800' to 2683'. WOC and Tag. (In 8 sxs/Out 21 sxs)
CIBP Plug	2815.00	2850.00	35.00	If solid base no need to Tag (CIBP present and/or Mechanical Integrity Test), If Perf & Sqz then Tag, Leak Test all CIBP if no Open Perforations	3.00	C	Tag CIBP at 2850'. Dump bail 35'. Leak test CIBP.
Perforations Plug (If No CIBP)	2876.44	3006.00	129.56	Tag/Verify			
8.625 inch- Shoe Plug	4108.00	4250.00	142.00	Tag/Verify			
4.5 inch- Shoe Plug	12868.51	13099.00	230.49	Tag/Verify			

No more than 2000' is to be allowed between plugs in open hole, and no more than 3000' between plugs in cased hole.
Class H >7500'
Class C<7500'

Fluid used to mix the cement in R111P shall be saturated with the salts common to the section penetrated, and in suitable proportions, but not more than 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible.

Medium, Secretary: Top of salt to surface If no salt take the deepest fresh water or Karst Depth

High, Critical: Bottom of Karst to surface or Deepest fresh water, whichever is greater
R111P: 50 Feet from Base of Salt to surface.

Class C: 1.32 ft^3/sx
Class H: 1.06 ft^3/sx

Onshore Order 2.III.G Drilling Abandonment Requirements: "All formations bearing usable-quality water, oil, gas, or geothermal resources, and/or a prospectively valuable deposit of minerals shall be protected.

<u>Cave Karst/Potash Cement Requirement:</u>		<u>Low</u>	
13.375 inch- Shoe Plug @	400.00		
8.625 inch- Shoe Plug @	4200.00		
4.5 inch- Shoe Plug @	13049.00	TOC @	8090.00
Perforatons Top @	2950.00	Perforations	2956.00
		CIBP @	2850.00

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
District IV
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 386940

CONDITIONS

Operator: MULLOY OPERATING, INC. 415 W Wall Midland, TX 79701	OGRID: 225942
	Action Number: 386940
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
gcordero	CBL must be submitted to OCD via OCD Permitting prior to submitting C-103P	10/4/2024