а. 							
Form 3160-5 (March 2012) DEF BUR	UNITED STATES PARTMENT OF THE IN EAU OF LAND MANA	FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2014 5. Lease Serial No.					
SUNDRY N Do not use this f abandoned well.	IOTICES AND REPOF form for proposals to Use Form 3160-3 (AP	RTS ON WELLS drill or to re-ente D) for sych Ricon	er an	6. If Indian, Allottee or Tribe Name			
SUBMI	T IN TRIPLICATE – Other ir	nstructions on page 2.	VEU	7. If Unit of CA/Agr NMNM 10	reement, Name and/or No. 01358		
1. Type of Well Oil Well Gas W	WAT 13	2013	8. Well Name and No. Henshaw Deep Unit # 9				
2. Name of Operator Beach Exploration Inc	NMOCD A	TESIA	9. API Well No. 30-015-10075				
3a. Address 800 North Marienfeld, Suite 200, Midland, TX 7	9701	b. Phone No. <i>(include a</i>	ea code)	10. Field and Pool or Exploratory Area			
4. Location of Well (Footage, Sec., T., 660' FNL & 1980' FWL : Section 23: Unit C: NE	4 R.,M., or Survey Description) E4/NW4: T-16-S R-30-E	32 683 6226		11. County or Parish, State Eddy, New Mexico			
12. CHEC	THE APPROPRIATE BOX	(ES) TO INDICATE NA	TURE OF NOT	 FICE, REPORT OR OTI	HER DATA		
TYPE OF SUBMISSION			TION				
✓ Notice of Intent	Acidize	Deepen Fracture Treat	Pro	oduction (Start/Resume)	Water Shut-Off Well Integrity		
Subsequent Report	Casing Repair	New Constructio		ecomplete	Other		
Final Abandonment Notice	Convert to Injection	Plug Back		ater Disposal			
 Run 2 3/8" tbg to TD. Pump 50sx Load hole with 9.5 ppg mud. PO' RU wireline. Free point csg. Atte Run tbg to 8,850'. Pump 45sx Cla Pull tbg to 7,713'. Pump 50sx Cla Pull tbg to 6,500'. Pump 50sx Cla Pull tbg to 4,561'. Pump 50sx Cla Pull tbg to 2,699'. Pump 30sx Cla Pull tbg to 1,490'. Pump 35sx Cla Pull tbg to 573'. Pump 125sx Cla 	Class H cmt plug inside 4 ½ OH with tbg. ampt to cut and pull 4 ½" csg ass H cmt plug across 4 ½" d ass H cmt plug in 6 ¾" OH a ass C cmt plug in 6 ¾" OH a ass C cmt plug across 7 5/8 ass C cmt plug inside 7 5/8" class C cmt plug inside 7 5/8" csg	2" csg across Morrow a g at 8,800'. csg stub. Pull up hole. It Wolfcamp. Pull up h It ABO. Pull up hole. " csg shoe and Gloriett csg at Grayburg. " csg at Yates. Pull up from 573' to surface to	WOC. Tag p ble. WOC. Tag p VOC. Tag plu a. Pull up hole bole. WOC. cover the 10	s. Pull up hole. WOC. ag plug at 7,613' or less. ag at 6,400' or less. WOC. Tag plug at Tag plug at 1,390' or %" csg shoe, top of Sa	. Tag plug at 10,368' or less. 90' plug 50' plug 50' plug 60' plug 60' plug 140' plug 140' plug 140' plug 140' plug 140' plug 140' plug 140' plug 140' plug		
12. POOH. ND BOP. Cut 10 ¾" and 13. Install 4" dry hole marker w/4' at	d 7 5/8" csg off 3' below grou bove ground w/required info	und level. Top off with stenciled on pipe.	cmt if necessa	ary.	· .		
Note: If casing is cut at a different c	lepth, plug #5 will be moved	to that depth and plug	s in 4 ½" csg v	will be set by perforatir	ng the 4 $\frac{1}{2}$ " csg and squeezing.		
Estimate starting plugging operation	is no later than July 15, 201	3 Ground	leve/	Dry Hole	Marker Require		
14. I hereby certify that the foregoing is t	rue and correct. Name (Printed/	Typed)	ainear	SEE ATTAC	HED FOR		
		gineer	CONDITION'S OF APPROVAL				
Signature	THE ODAOF F						
Annroved by			RSIAIEO				
Conditions of approval, if any, are attached hat the applicant holds legal or equitable t entitle the applicant to conduct operations	Approval of this notice does not the subject thereon.	title tot warrant or certify lease which would	<u>\$EP-</u> ~ CFO	5	Date 5-7-13		
Title 8 U.S.C. Section 1001 and Title 43 fictitious or fraudulent statements or repre-	U.S.C. Section 1212, make it a c sentations as to any matter with	rime for any person know	ngly and willfull	ly to make to any departm	ent or agency of the United States any fals		
(Instructions on page 2)		NAL AND		RECLA	MATION PROCEDURE		

ATTACHED

ن ا سرائی	, T y											
		TOC Surf		Henshaw Deep Unit #9								
T Salt @277	10 3/4" @523'		GL: KB: TD: PBD:	3,824 3,838 10,690 10,645		S	itatus: Activ Perfs: 10,5 10,4 API: 30-0	re Flowing 88' - 10,606' 18' - 10,438', 15-10075	Morrow Atoka			
Yates @1440			Fr. Wtr: Legal: Section: Township: Range: County:	660 1,980 23-C 16S 30E Eddy, NM	from N from W	NM Archeolo	M Lse: LC-C Field: Hens Logs: Orig Reen ogical: Clea	29424 shaw (Morrov shaw (Atoka) - GR, Neu, I atry - GR, Ne red	v) Gas Oil Po Gas Pool DIL & ML u, Den, DIL,	cBL		
Queen			Cooling	1 10/4	Tuno	Sot	Cmt Ho		Mothod			
@2240			10-3/4"	32.75	Type 1	523	275 1	5" Surf	Circ	1963		
Grayburg @2649			7-5/8" 4-1/2"	26.40 J- 11.6 & 13.5 J5	-55 55 & N80	4,511 10,690	1,100 9 5 260 6 3	/8" Surf /4" 8,826	Circ 25 sx CBL	1963 1998		
@2967	@2967 16-Sep-63 <u>D&A Shell Oil Co, Henshaw Deep Unit #9</u> TD 9474 Plugs - Surf 15sx, 4450-4550 25sx,6400-6500 25sx, 7 8500-8600 25sx, 8800-8150 75sx											
			26-Feb-98	Reenter - Be Drilled out all DST #1 Atok DST #2 Morr FSI 4322 psi	each Explorat I plugs and ne a 10,419 - 10, row 10,575-10 i acted tight	tion, Hens w formatio ,584 GTS 2),690 GTS	<u>haw Deep l</u> on w/6 3/4" b 2min into 1st 75min into F	<u>Jnit #9</u> it to 10690 BU, Recove F, Recover 3	r 603' GC mi 00' SLGC m	ıd ud		
Glor @4438	7-5/8" 📱 @4.511'		29-Apr-98	Perf Morrow	10,588 - 10,6	06,6 JSPF	, acidize w/3	000gal 7.5%	& 40 RCNB	5		
	<u> </u>		9-Jun-98	AIR 2.65 BPI Frac w/50Mg 9500 psi ISIF Official Bot	M AIP 6250ps gal CO2 foam P 6800 psi wel Elowing on Pl	i ISIP 5200 w/5M# Eco Il producing	Opsi well pro phoprop+15 g 4 BO 138 S BO 150 MC	d 15 BO 150 M# Carbolite . MCF `F	MCF SITP 2 AIR 8 BPM	300psi		
			7-Jul-98	Changed tog Installed plur Atoka Com	nger lift	checked T	D at 10,598	(14'- 18' cove	red did not C	;O)		
Drinkard @5700			14-May-99	Perf Atoka 1 acidized w/2 Official Pot -	0,418-20, 10,4 800 gal 15% N Flowing on Pl	432-38 w/3 NEFE 1.3 E lunger lift 1	3/8" csg gu 3PM 6140 p 1 BO 77 MCf	n 4 SPF (8 + si ISIP 6380 p - (combined I	24 holes) osi Morrow & Atc	oka?)		
Abo @6450			19-Jul-99 29-Nov-07	BLM approva Plunger lift e since 2000 a pulled 3 BO had been 24 gas - probab plunger up - short SI - floo	al to downhole equip has beer about 35 MCFI on 1st run the 10 psi on back oly broke loose rec 5.5BO 1.5 wing 35 MCFF	e comming n on well 5 PD. RU sv n after flow side nothin e plugged p 5BW all da PD	le Morrow & + yrs?? Proc wab unit didr v brought up ag on tbg. B blunger in tb y - dropped	Atoka I down to notl I't feel any flu plunger in pi ackside is not g and backsid new plunger s	ning - best ra id tagged bo eces. Csg p sales but cc le press brou set for long fl	te ttom ress introl ight ow		
			29-Sep-10	Swabbed we	ell. TOF 10,10	0. Second	I run FL at S	N recovered	1 bbl.			
Wifemo						CASING I	DETAIL					
@7663		TOC 8,826' Good cmt 896	0	# OF JTS D Distance fro 8 4 62 4 125 4 50 4 1 4 260sx Super	DESCRIPTION m KB to top of 1/2" 13.5# NE 1/2" 11.6# NE 1/2" 11.6# NE 1/2" 11.6# NE 1/2" 11.6# NE r H w/0.4%CF	N f pipe 80 80 55 80 80 R-5, 5% H	LEN 33 260 528 243 alad 344, 5#	GTH FROM 4.00 0.0 3.65 14.0 11.15 347.6 15.64 2948.8 10.68 8234.4 5.07 10665.1 4.5.07 10665.1	TO 10 14.00 100 347.65 105 2948.80 1065 12 110 10665.12 12 10710.19 1#sx salt (yict)	1.67)		
							STRING 5/1	9/99				
				# OF JTS Distance fro	M KB to top of	N fpipe	LEN	IGTH FROM	1 TO			
Cisco				320 2	2 3/8" 4.7# N80	0 tbg	10,3	384.0 14.0	0 10398.00			
@9473				1 S 1 F	SN 1 25/32 Perf sub			1.10 10398.0	00 10399.10 10 10403 10			
Strawn				1 E	BP Mud joint		3	32.45 10403.	10 10435.55			
@10,024 Atoka		Atoka								[
@10,147		10,418 - 10,43	8									
Morrow	4-1/2"	10,588 - 10,60	6	·	·.							
<u>[@10,490</u>]	@10,690'	TD 10,690'			 :							



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. <u>Dry Hole Marker</u>: 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. <u>Show date well was plugged.</u>

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 procedure.

J. Amos 3/6/11

Requirements for ground level dry hole markers <u>Well Identification Markers</u> Conditions of Approval (COA)

1.

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

- 1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.
- 2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum ¹/₄ inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.
- 3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.
- 4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.
 - a. First row: Operators name
 - b. Second row: Well name and number
 - c. Third row: Legal location to include ¹/₄ ¹/₄, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the ¹/₄ ¹/₄ (example: 1980 FNL 1980 FWL) being on the top row.
 - d. Fourth row: Lease Number and API number.
 - i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required 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 ground level dry hole marker was installed as required in the COA's from the BLM.



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. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute 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.

- 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 Appropriate time for submittal would be when filing 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:

Inspection & Enforcement

Jim Amos Supervisory Environmental Protection Specialist 575-234-5909, 575-361-2648 (Cell)

Mike Burton Environmental Protection Specialist 575-234-2226

Jeffery Robertson Natural Resource Specialist 575-234-2230

Jennifer Van Curen Environmental Protection Specialist 575-234-5905

Doug Hoag Civil Engineering Technician 575-234-5979

Linda Denniston Environmental Protection Specialist 575-234-5974

Realty, Compliance

Randy Pair Environmental Protection Specialist 575-234-6240

Permitting

Cody Layton Natural Resource Specialist 575-234-5959

Trishia Bad Bear Natural Resource Specialist 575-393-3612

Todd Suter Surface Protection Specialist 575-234-5987

Tanner Nygren Natural Resource Specialist 575-234-5975

Amanda Lynch Natural Resource Specialist 575-234-5922

Leg1on Brumley Environmental Protection Specialist 575-234-5957