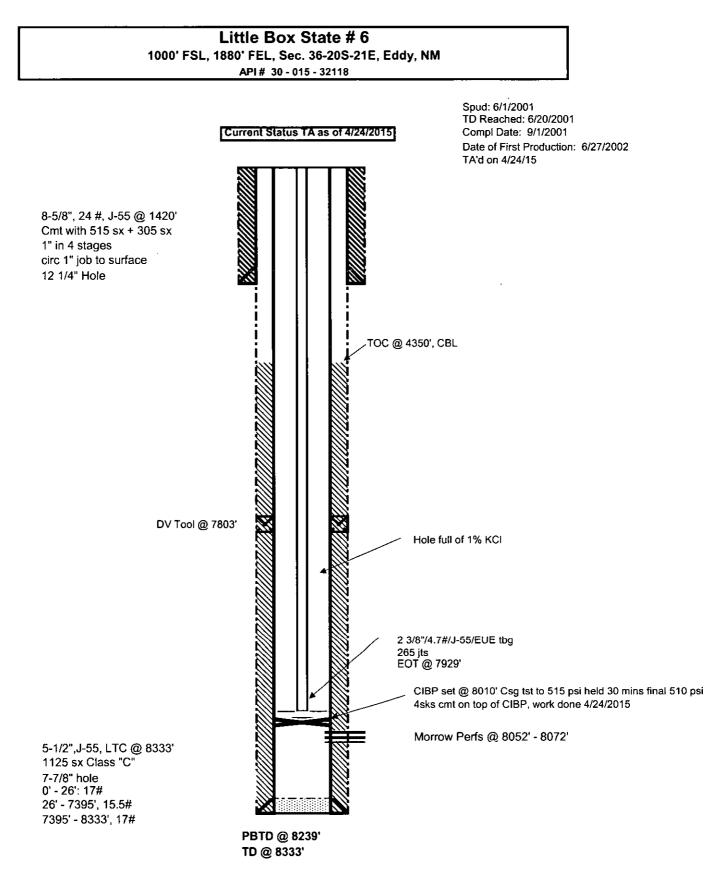
, Submit I Copy To Appropriate District	State of New Me	xico	Form C-103
Office <u>District I</u> – (575) 393-6161	Energy, Minerals and Natural Resources OIL CONSERVATION DIVISION 1220 South St. Francis Dr.		Revised July 18, 2013
1625 N. French Dr., Hobbs, NM 88240 District II – (575) 748-1283			WELL API NO. 30-015-32118
811 S. First St., Artesia, NM 88210 District III – (505) 334-6178			5. Indicate Type of Lease
1000 Rio Brazos Rd., Aztec, NM 87410			STATE STATE
<u>District IV</u> – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM	Santa Fe, NM 87505		6. State Oil & Gas Lease No.
87505 SUNDRY NOTICES AND REPORTS ON WELLS			VA-1541 7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)			LITTLE BOX STATE
1. Type of Well: Oil Well Gas Well X Other			8. Well Number #6
2. Name of Operator BC OPERATING, INC.			9. OGRID Number 160825
3. Address of Operator P.O. BOX 50820			10. Pool name or Wildcat
MIDLAND, TX 79710			LITTLE BOX CANYON; MORROW
4. Well Location			
Unit Letter O :	1000 feet from the SOUT		880 feet from the EAST line
Section 36	Township 20S Ra 11. Elevation (Show whether DR,		NMPM EDDY County
	TT. Elevation (Snow whether DR,	KKD, KI, OK, etc. j	
12. Check	Appropriate Box to Indicate Na	ature of Notice, R	eport or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:			
		CASING/CEMENT	JOB 🗌
DOWNHOLE COMMINGLE			
OTHER:		OTHER:	
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.			
BC OPERATING, INC. HEREBY PROPOSES TO PLUG AND ABANDON THE SUBJECT WELL.			
SEE ATTA	CHED PROCEDURE		
	Approved for plugging of well bore only. Liability under bond is retained pending ret		NM OIL CONSERVATION ARTESIA DISTRICT
	of C-103 (Subsequen which may be found	t Report of Well Plugging at OCD Web Page under	AUG 04 2016
	Forms, www.cmnrd.s	tate.nm.us/ocd.	
			RECEIVED
Spud Date:	Rig Release Da	te:	
WELL MUST BE	PIURRED RY	8/4/2017	
I hereby certify that the information above is true and complete to the best of my knowledge and belief.			
		ist of my knowledge t	
signature <u>availe fins</u>			
Type or print name SARAH PRESLEY E-mail address: spresley@bcoperating.com PHONE: 432-684-9696			
For State Use Only			
APPROVED BY: <u>Manut 2</u> June TITLE <u>COMPLIANCE OFFICER</u> DATE <u>81412116</u> Conditions of Approval (if any):			
# SEE ATTACHED COA-S			

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NADEL AND GUSSMAN PERMIAN



Little Box State #6 API# 30-015-32118 Unit No. 0, Sec. 36-20S-21E 1000' FSL & 1500' FEL Eddy, NM BC Operating, Inc.

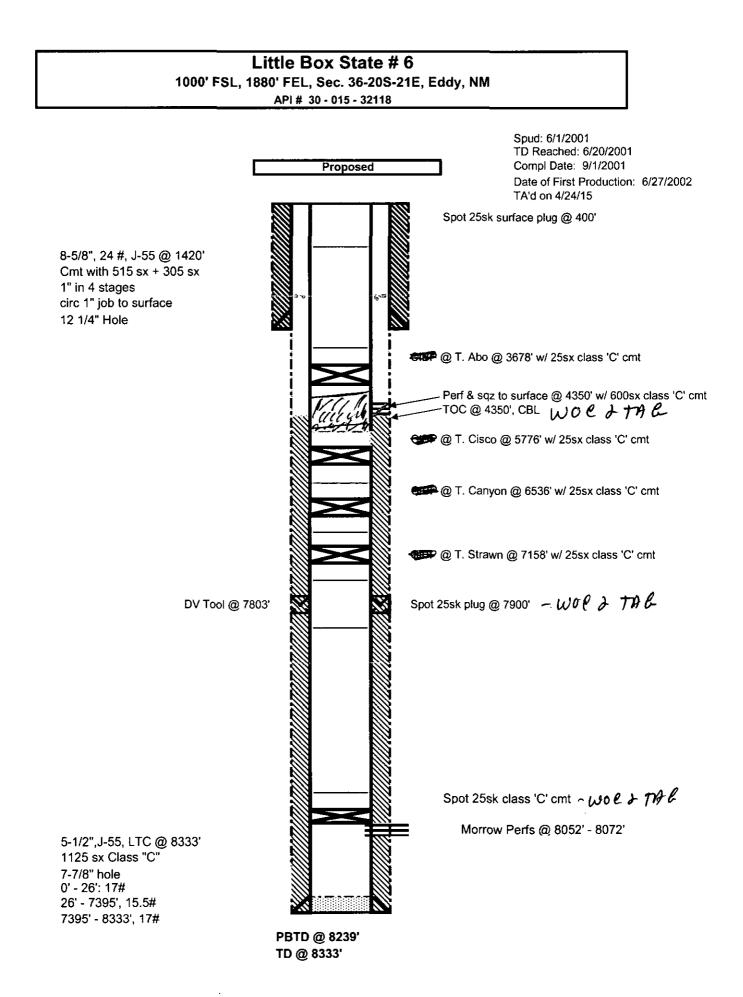
Plug & Abandonment Procedure

Detailed Workover Procedure:

- 1. Hold tailgate safety meeting and discuss plan, Bruce Madden is to be called for any spills (432) 894-0721.
- 2. Kill power to location.
- 3. MIRU pulling unit.
- 4. If necessary, blow well down to tank battery.
- 5. Pull 2-3/8" tbg laying down.
- 6. Tag CIBP @ 8000'.
- 7. Spot 25sx of class 'C' cmt @ 8000'. WOC & TAC
- 8. Spot 25sk plug @ 7900'. WOC & TAR
- 9. Supplier @ 7158' w/ 25sx class 'C' cmt on top.
- 10. Sector @ 6536' w/ 25sx class 'C' cmt on top.
- 11. 5. (a) 5776' w/ 25sx class 'C' cmt on top.
- 12. Perf and sqz surface @ 4350' w/ 600sx of class 'C' cmt. Wol JTAB
- 13. Set (a) 3678' w/ 25sx class 'C' cmt on top.

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- 14. Set 50sk class 'C' cmt surface plug @ 400'
- 15. POOH and install dry hole marker.
- 16. Remove surface equipment.
- 17. Remediate Location.
- 18. Install berm to block traffic.
- 19. RDMO



CONDITIONS FOR PLUGGING AND ABANDONMENT

District II / Artesia N.M.

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, Notify NMOCD District Office II at (575)-748-1283 at least 24 hours before beginning work.

- 1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs.
- 2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.
- 3. Trucking companies being used to haul oilfield waste fluids to a disposal commercial or private shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.
- 4. Filing a subsequent C-103 will serve as notification that the well has been plugged.
- 5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.
- 6. Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.
- 7. Produced water will not be used during any part of the plugging operation.
- 8. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
- 10. Class 'C' cement will be used above 7500 feet.

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- 11. Class 'H' cement will be used below 7500 feet.
- 12. A cement plug is required to be set 50' above and 50' below, all casing shoes, casing stubs, DV tools, attempted casing cut offs, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged
- 13. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set
- 14. A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.
- 15. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, (WOC 4 hrs and tag).
- 16. No more than **3000' is allowed between cement plugs in cased hole and 2000' in open** hole.

- 17. Formations to be isolated with cement plugs are:
 - A) Fusselman
 - B) Devonian
 - C) Morrow

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- D) Wolfcamp
- E) Bone Springs
- F) Delaware
- G) Any salt sections
- H) Abo
- I) Glorieta
- J) Yates.
- K) Potash--- (In the R-111-P Area (Potash Mine Area), a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, WOC 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.
- 18. If cement does not exist behind casing strings at recommended formation depths, the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, and cement will be set 50' below formation bottom to 50' above formation top inside the casing

DRY HOLE MARKER REQUIRMENTS

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least ¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

- 1. Operator name
- 2. Lease and well number
- 3. API number
- 4. Unit letter
- 5. Quarter section (feet from North, South, East or West)
- 6. Section, Township and Range
- 7. Plugging date
- 8. County

(SPECIAL CASES)

AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)