

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Artesia

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. M-50415
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **Primero Operating, Inc.**

3a. Address **PO Box 1433, Roswell, NM 88202-1433** 3b. Phone No. (include area code) **(575) 622-1001**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
182' FNL & 507' FWL, Sec 26, T13S, R29E

7. If Unit of CA/Agreement, Name and/or No.
8. Well Name and No. **McClellan Federal #1**
9. API Well No. **30-005-63076**
10. Field and Pool or Exploratory Area
South Lone Wolf Devonian
11. Country or Parish, State.
Chaves, New Mexico

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 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 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.)

Plug length must be 100' + 10% for every 100'

We propose to plug this well as follows:

POH w/ rods and tubing.
MI Wireline truck and set CIBP @ 9500', RIH w/ tubing and displace hole with plug mud
Pump Plug 1: 40 sx class H @ 9500'; 9160-9500' to cover top of CIBP and Mississippian @ 9160'
Perforate 7130' and squeeze plug 2: 40 sx class H @ 7130'; ~~7030-7130'~~ to cover top of Wolfcamp formation @ 7088' (7130' - 6,960')
Perforate ~~5195'~~ and squeeze plug 3: 40 sx class C @ ~~5195'-5095'~~ to 5195' to cover top of ~~Tubb~~ formation @ 5145 (6,036' - 5,876') Above ~~5145'~~
Perforate ~~2378'~~ and squeeze plug 4: 40 sx class C @ ~~2378'-2278'~~ to 2378' to cover top of ~~San Andres~~ @ 2347 and 8 5/8" casing shoe (3,284' - 3,644')
Perforate 350' and squeeze plug 5: 100 sx to load inside and outside of 5 1/2" casing as surface plug and to cover 13 3/8" casing shoe

After plugging the casing head will be cut off and a plate and dry hole marker will be welded on. The location will be cleaned of equipment and remediated to BLM standards.

A wellbore diagram showing proposed plugs is attached.

Plugs added. SEE ATTACHED FOR CONDITIONS OF APPROVAL

*GC 8/28/19
Accepted for record - NMOCD*

RECEIVED

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) **Phelps White** Title **President**

Signature *[Signature]* Date **05/06/2019**

APPROVED **AUG 28 2019**

DISTRICT/ARTESIA O.C.D.

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *[Signature]* Title **BUREAU OF LAND MANAGEMENT**
ROSWELL FIELD OFFICE

Office

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.

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)

RECEIVED BUREAU OF LAND MGMT
AUG 28 2019 11:21

[Handwritten mark]

PRIMERO OPERATING, INC.
McClellan Fed #1

McClellan Federal #1
API # 30-005-43076
Sec 26, T13S, R29E

PROPOSED PLUGS

Plug 5: 100 sx C
Surface to 350'
Perforate 350'

Plug 4: 40 sx @ 5195'
5095 to 5195'
Perforate 5195'

Plug 3: 40 sx Class C @ 5195'
5095-5195'
Perforate 5195'

Plug 2: 40 sx Class H @ 7130'
7030 to 7100'
Perforate 7130'

Plug 1: 40 sx Class H @ 9500'
9050-9160
CIBP @ 9500'

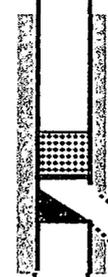
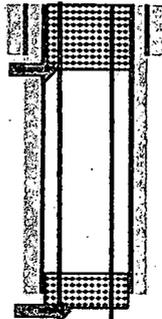
Wellbore

13 3/8" 48# H40 @ 304'
310 sx, circulate 60 sx

8 5/8" 24# @ 2328'
1500 sx, circulate 110 sx

Formation Tops

| | |
|-------------|------|
| San Andre | 2347 |
| Tubb | 5140 |
| Wolfcamp | 7088 |
| Mississippi | 9160 |



TD 9862'
5 1/2" 17# N-80 @ 9847'
300 sx, est TOC 8400'

Est TOC 8400'

Whipstock @ 9540'

McClellan Federal 1
30-005-63076
Primero Operating, Inc.
August 26, 2019
Conditions of Approval

1. Operator shall place CIBP at 9,500' and place 40 sxs of Class H cement on top as proposed. WOC and TAG.
2. Operator shall perf and squeeze at 7,130'. Operator shall place a balanced Class C cement plug from 7,130'-6,960' to seal the top of the Wolfcamp formation. WOC and TAG.
3. Operator shall perf and squeeze at 6,036'. Operator shall place a balanced Class C cement plug from 6,036'-5,876' to seal the top of the Abo formation. WOC and TAG.
4. Operator shall perf and squeeze as proposed at 3,784'. Operator shall place a balanced Class C cement plug from 3,784'-3,644' to seal the Glorietta Formation. WOC and TAG.
5. Operator shall perf and squeeze as proposed at 2,378'. Operator shall place a balanced Class C cement plug from 2,378'-2,278' to seal the 8-5/8" casing shoe. WOC and TAG.
6. Operator shall perf and squeeze at 1,050'. Operator shall place a balanced Class C cement plug from 1,050'-850' to seal the top of the Yates and bottom of the Salt formation. WOC and TAG.
7. Operator shall perf and squeeze at 500'. Operator shall place a balanced Class C cement plug from 500'-254' to seal the top of the Salt formation and the 13-3/8" casing shoe. WOC and TAG.
8. Operator shall perf and squeeze as proposed at 100'. Operator shall place a balanced Class C cement plug from 100'-surface as proposed.
9. See Attached for general plugging stipulations.

JAM 082619

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(575) 627-0272

Permanent Abandonment of Production Zone 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 ninety (90) days from this approval.

If you are unable to plug back 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 back. Failure to do so will result in enforcement action.

2. Notification: Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0237 or phone (after hours) call (575) 626-5871.

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 **brine** 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.

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.**

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. Subsequent Plug back Reporting: Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back 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 work was completed.