

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 6/9/14

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other:

Well information:

APIWELL#	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-11147-00-00	UTE INDIANS A	004	XTO ENERGY, INC	G	A	San Juan	U	I	35	32	N	14	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Provide CBL to agencies for review/approval prior to cementing or perforations

Extend plug 1 from 7780 to 7600

Extend Chinle plug to 3922

Add Entrada plug 3440-3540

Extend Morrison/ Dakota plug to 2155 to cover Graneros

Add Gallup plug 1395-1495



NMOCD Approved by Signature

7/10/14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. 14-20-604-62
2. Name of Operator XTO ENERGY INC.		6. If Indian, Allottee or Tribe Name Ute Mountain Ute
3a. Address 382 CR 3100 AZTEC, NM 87410	3b. Phone No. (include area code) 505-333-3630	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 660' FEL NESE Sec. 35 (I) -T32N-R14W		8. Well Name and No. UTE INDIANS A #4
		9. API Well No. 30-045-11147
		10. Field and Pool, or Exploratory Area UTE DOME PARADOX
		11. County or Parish, State SAN JUAN NM

12. CHECK 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"/> Fracture Treat	<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 recomplate 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. proposes to plug and abandon this well per the attached procedure and will be using a Closed Loop System. Please see also the current and proposed wellbore diagrams.

**SEE ATTACHED
CONDITIONS OF APPROVAL**

**OIL CONS. DIV DIST. 3 RECEIVED
JUN 30 2014**

JUN 11 2014

Bureau of Land Management
Durango, Colorado

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) SHERRY J. MORROW		Title REGULATORY ANALYST
Signature <i>Sherry J. Morrow</i>		Date 6/9/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by <i>Dea</i>	Title WSC	Date 6/24/2014
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 TRES RIOS FIELD OFFICE

INMOCD

LWA _____
MTG _____
Approved _____

NOTE: H2S in well

PLUG AND ABANDONMENT PROCEDURE

May 1, 2014

Ute Indian A #04

Barker Dome Paradox Field
1980' FSL and 660' FEL, Section 35, T32N, R14W
San Juan County, New Mexico / API 30-045-11147
Lat: N _____ / Lat: W _____

Note: All cement volumes use 10% excess per 1000 foot of depth or 100% excess outside pipe and 50' excess inside pipe, whichever is greater. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. This project will use A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all Colorado BLM, NMOCD and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. ND wellhead and NU BOP. Function test BOP.
3. Rods: Yes , No , Unknown _____;
Tubing: Yes , No , Unknown _____, Size 2-3/8", Length 8200';
Packer: Yes , No , Unknown _____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

CBL log will be run since cement did not circulate and there is no reference to a log being run. This procedure is prepared with the understanding that it may be modified based on the TOC from the CBL.

4. **Plug #1 (Paradox Dakota perforations and top, 7780' – 7680')**: Round trip gauge ring or casing scraper to 7780' or as deep as possible. RIH and set 5.5" cement retainer at 7780'. RIH with tubing. Pressure test tubing to 1000 PSI. Circulate well clean. Pressure test casing to 800 PSI. If casing does not test then spot or tag subsequent plugs as appropriate. Sting into CR and establish injection. Mix and spot 21 sxs above CR to isolate the Paradox interval. PUH.
5. **Plug #2 (Hermosa top, 6708' – 6608')**: Mix and pump 20 sxs Class B cement and spot a balanced plug inside casing to cover the Hermosa top. TOH.
6. **Plug #3 (Chinle top, 4157' – 4057')**: Perforate 3 squeeze holes at 4157'. Set 5.5" cement retainer at 4107'. Mix 47 sxs Class B cement squeeze 30 sxs outside casing and leave 17 sxs inside casing to cover the Chinle top. TOH.

7. **Plug #4 (8-5/8" shoe, Morrison and Dakota tops, 2720' – 2250')**: Perforate 3 squeeze holes at 2720'. Set 5.5" cement retainer at 2670'. Mix 132 sxs Class B cement squeeze 73 sxs outside casing and leave 59 sxs inside casing to cover through the Dakota top. TOH and LD tubing.
8. **Plug #5 (Mancos top and 13-3/8" surface casing shoe, 470' - Surface)**: Perforate 3 squeeze holes at 470'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 135 sxs Class B cement and pump down the 5.5" casing to circulate good cement out bradenhead. Shut in well and WOC.
9. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Ute Indian A #04 Current

Barker Dome Paradox Field

1980' FSL, 660' FEL, Section 35, T-32-N, R-14-W

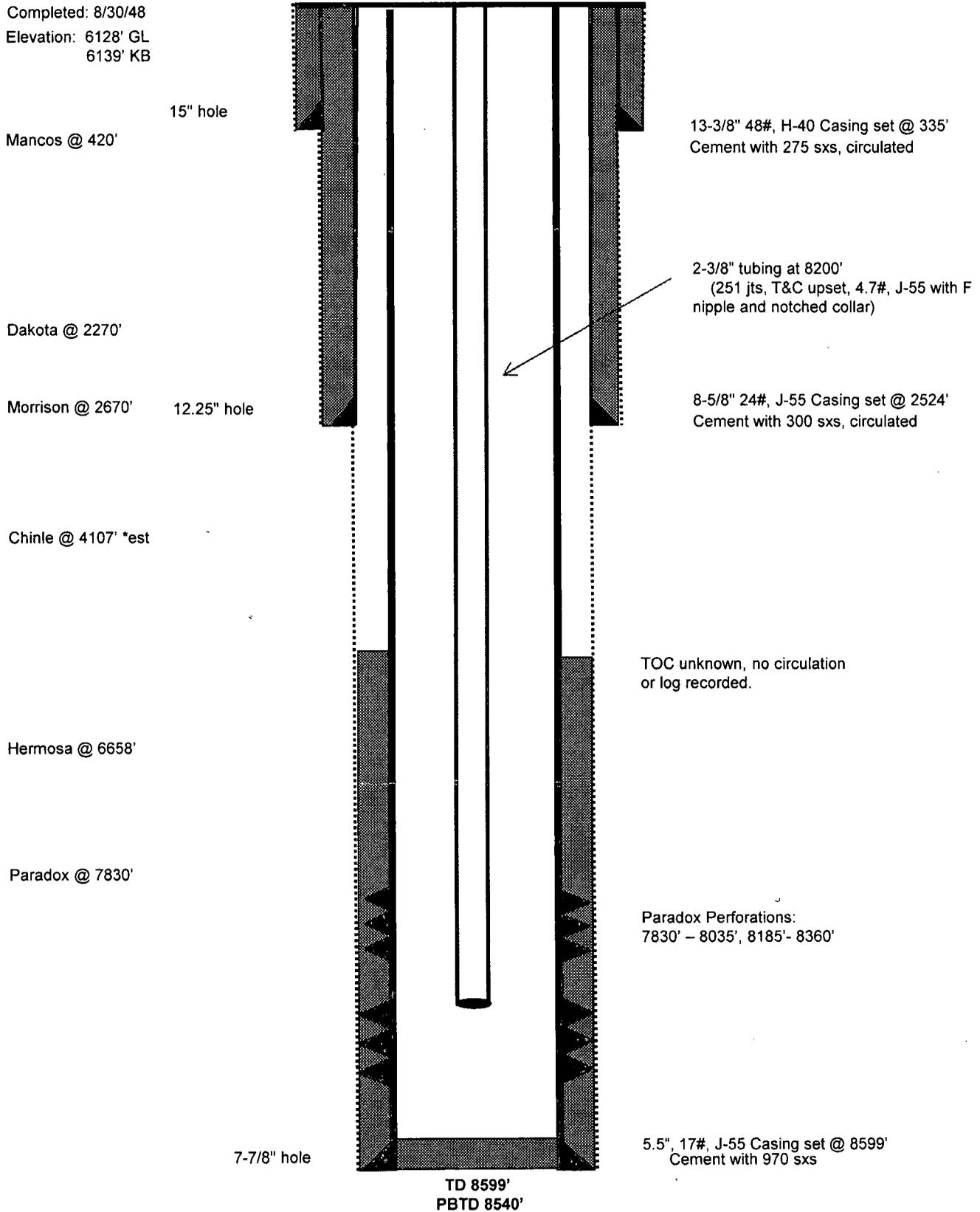
San Juan County, NM, API #30-045-11147

Today's Date: 5/01/14

Spud: 3/5/1948

Completed: 8/30/48

Elevation: 6128' GL
6139' KB



Ute Indian A #04

Proposed P&A

Barker Dome Paradox Field

1980' FSL, 660' FEL, Section 35, T-32-N, R-14-W

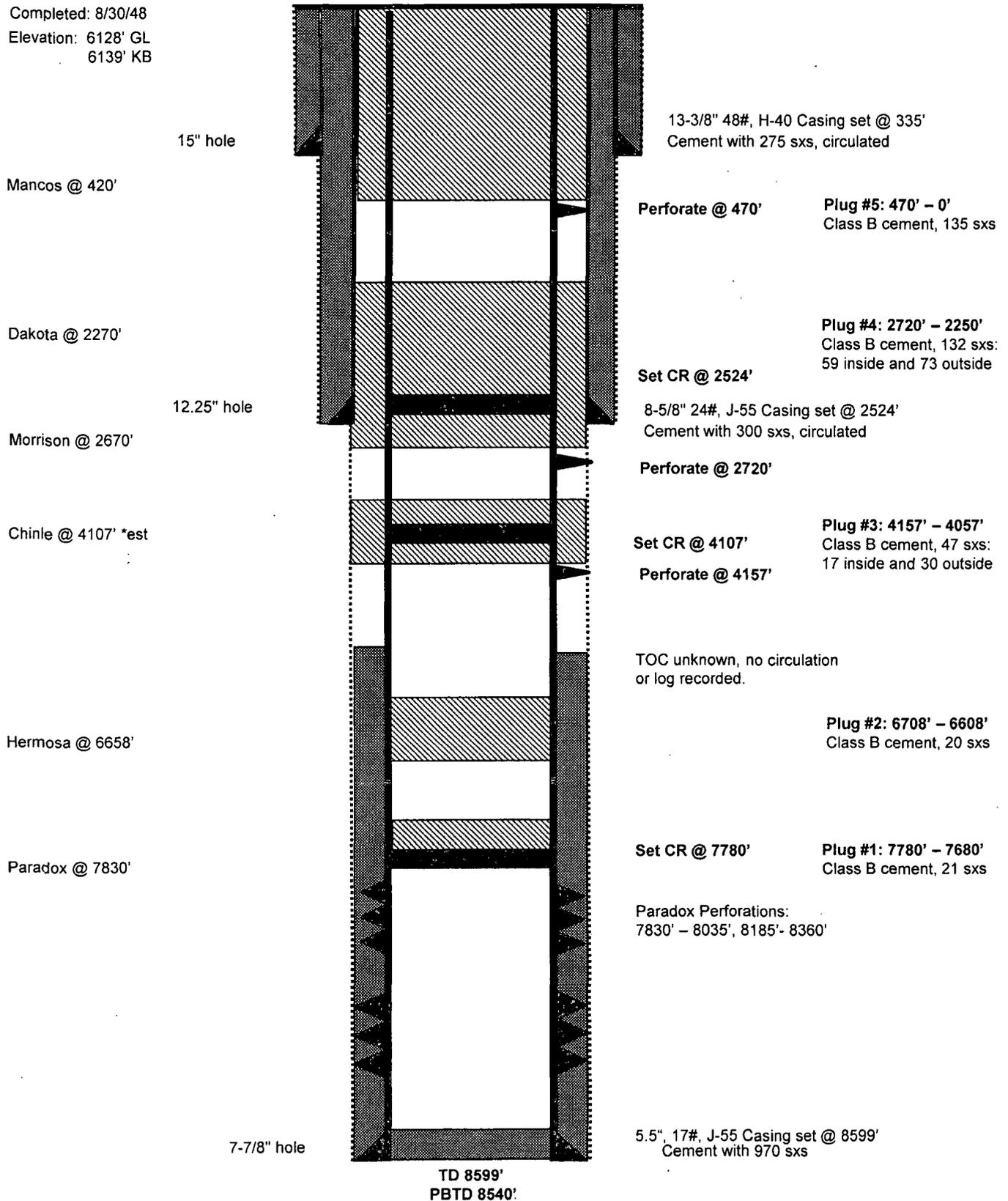
San Juan County, NM, API #30-045-11147

Today's Date: 5/01/14

Spud: 3/5/1948

Completed: 8/30/48

Elevation: 6128' GL
6139' KB



XTO Energy Inc.
Tribal Lease: 14-20-604-62
Well: Ute Indians A #04
Location: 1980' FSL & 660' FEL
Sec. 35, T. 32 N., R. 14 W.
San Juan County, NM

Provide a copy of the CBL to this office upon completion of the logging.

Conditions of Approval - Notice of Intent to Abandon:

1. Notify this office at least **72 hours** prior to commencing plugging operations.

For Notification, Operators must talk to BLM personnel directly. Do not leave messages on answering machines. Contact Dan Rabinowitz, BLM Petroleum Engineer: office: 970-385-1363, or Rod Brashear: office: 970-385-1347, and cell: 970-799-1244.

2. Approval of this Notice of Intent to Abandon (NIA) is for down hole plugging only.

3. Materials used will be accurately measured.

4. A tank or approved pit must be used for containment of any fluids from the wellbore during plugging operations. All unattended pits are to be fenced.

5. Pits are not to be used for disposal of any unauthorized materials.

6. All cement plugs are to be placed through a work string. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.

6a. Cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100 ft. of the casing or annular void(s) between casings, plus 10% excess volume per 1000 ft. of depth.

6b. Surface plugs must be a minimum of 50 ft. within casing and annular voids.

6c. Cement plugs placed to fill an open hole shall have sufficient volume to fill a minimum of 100 ft. of open hole, plus 10% excess volume per 1000 ft. of depth.

6d. Tag plug #2.

7. The well must be filled with a wellbore mud sufficient to stabilize the wellbore. In the absence of any formation pressure data provided by the operator, this mud will have a minimum weight of **9 ppg**. The mud must be left between all plugs.

Continued on Page 2.

8. A blowout preventer and related equipment shall be installed and tested prior to working in a wellbore with any exposed zones (a) that are overpressured, (b) where pressures are unknown, or (c) known to contain H₂S.

9. All activities must conform to **Onshore Order #6, H2S Operations**.

10. Within 30 days after plugging of the well, file 5 copies of a Subsequent Report of Abandonment (SRA) via Sundry Notice. This report should include the following information:

- a. Date(s) of plugging operations.
- b. Procedure used to plug the well.
- c. Depth of plugs.
- d. Type and volume of plugs set.
- e. Casing types/lengths left in the well.

Surface Use Directions:

This approval is for the completion of the downhole plugging only. Surface reclamation must be completed, weed free vegetation established, and site accepted by the BIA prior to closure and bond release.

NOTIFICATION:

- **The BLM Colorado Minerals Division – Physical Scientist/Natural Resources Specialist (970) 385-1242 shall be notified 5 days prior to the onset of pad/road surface reclamation activity.**
- **The BLM Colorado Minerals Division – Physical Scientist/Natural Resources Specialist (970) 385-1242 shall be notified at least 48 hours prior to commencement of final surface reclamation activities.**

REQUIREMENTS AT ALL SITES:

1. **All tanks on-pad, used in plugging or reclamation activities will employ the use of earthen berms or another appropriate form of secondary containment, capable of holding a minimum of 110% of the contained tank volume(s).**
2. **Any cement wash or other fluids shall be placed in a self-contained tank, surrounded by containment dike of 110% of contained volumes for storage and removed for disposal at an approved location off-site.**
3. **Any free liquid accumulating should be vacuumed off to insure a minimum of 2ft. of freeboard on all tanks consistently and removed to an approved facility with receipts for chain of custody submitted to BLM –Minerals Division.**

Continued on Page 3.

4. All stormwater mitigations will be in accordance with BLM gold book BMP standards and practices.

According to the regulations in 43 CFR 3162.3-4, a well site is to be reclaimed and re-vegetated directly following plugging. Onshore Orders #1 stipulates that **surface reclamation** be completed within 180 days of final plugging operation completion. Once notified of plugging, a field inspection will be arranged between the Operator, UMU Tribe, the BLM and the respective BIA agency, so that the well pad can be inspected for reclamation requirements and BLM approval, before release from bond liability.