

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.
NMSF078201

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM89414

8. Well Name and No.
FEDERAL 29-9-12 2

9. API Well No.
30-045-28738-00-S1

10. Field and Pool or Exploratory Area
BASIN FRUITLAND COAL

11. County or Parish, State
SAN JUAN COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other: COAL BED METHANE

2. Name of Operator SOUTHLAND ROYALTY COMPANY LLC Contact: ROBBIE A GRIGG
E-Mail: rgrigg@mspartner.com

3a. Address 400 W 7TH STREET FORT WORTH, TX 76102
3b. Phone No. (include area code) Ph: 817.334.7842

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 12 T29N R9W NENE 1070FNL 0820FEL
36.743286 N Lat, 107.723480 W Lon

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.

PLEASE SEE ATTACHED PLUG & ABANDON PROCEDURE FOR YOUR APPROVAL.

OIL CONS. DIV DIST. 3

JAN 24 2018

Notify NMOCD 24 hrs prior to beginning operations

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #396582 verified by the BLM Well Information System
For SOUTHLAND ROYALTY COMPANY LLC, sent to the Farmington
Committed to AFMSS for processing by JACK SAVAGE on 01/16/2018 (18JWS0084SE)

Name (Printed/Typed) ROBBIE A GRIGG

Title SUPVR REGULATORY REPORTING

Signature (Electronic Submission)

Date 11/30/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JACK SAVAGE

Title PETROLEUM ENGINEER

Date 01/16/2018

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 Farmington

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)

** BLM REVISED **

NMOCD AV

5

THE AZTEC WELL FAMILY

Family-owned, founded in 1963 with Aztec Well Servicing Co.



Southland Royalty Company

Plug & Abandon Procedure

September 11, 2017

Well:	Federal 29-9-12 #2	API:	3004528738
Location:	1070 FNL & 820 FEL	Field:	Basin Fruitland Coal
Sec, T, R:	Sec. 12, T29N, R9W	Elevation:	GL: 6264'
Cnty/State:	San Juan County, NM	By:	Aztec Well Servicing
Lat/Long:	36.7432671,-107.7238998		

Objective:

Permanently plug & abandon the well from 2,693' to surface containing 3 separate cement plugs.

Prior to Rig:

1. Notify BLM & NMOCD
2. Note: verify all cement volumes based on actual slurry to be pumped.
3. See attached COA's from BLM & NMOCD.

Procedure:

1. MIRU unit and cementing equipment
2. ND WH, NU BOP stack, RU rig floor and 2 3/8" handling tools
3. LD production string, Tally & TIH work string / 5 1/2" CSG scraper to 2,700' TOOH
4. TIH w/ 5 1/2" CICR and set @ 2693', test TBG, roll well & Test CSG. (WOC to be determined if test holds)
5. **Plug #1, 2626' - 2693' (PC top: 2898', Fruitland top: 2726'). FTC Perfs: 2743' - 2875':** Mix & pump 10 sxs (11.8 cf) of Class B cement (or equivalent) on top of retainer. (note: cement top at 1386', determined by CBL ran 1-23-93).
6. Pull above cement & reverse TBG clean
7. LD TBG to 2330'
8. **Plug #2, 2180' - 2330' (Ojo Alamo Top: 2280'):** Spot 17 sxs (20 cf) Class B cement in a balanced plug inside casing to cover Ojo Alamo top.
9. PUH & reverse TBG clean. WOC if needed. TIH to confirm top of plug. Re-spot if necessary.
10. LD all TBG
11. RU WL and Perforate @ 300'
12. Attempt to circulate up annuals
13. **Plug #3, (8-5/8" Surface casing shoe, 300' to Surface):** If required by BLM, Perforate at 300' and attempt to establish circulation to surface out the bradenhead valve. Mix approximately 85 sxs (100 cf) of cement and pump down

THE AZTEC WELL FAMILY

Family-owned, founded in 1963 with Aztec Well Servicing Co.



Southland Royalty Company

Plug & Abandon Procedure

September 11, 2017

Well:	Federal 29-9-12 #2	API:	3004528738
Location:	1070 FNL & 820 FEL	Field:	Basin Fruitland Coal
Sec, T, R:	Sec. 12, T29N, R9W	Elevation:	GL: 6264'
Cnty/State:	San Juan County, NM	By:	Aztec Well Servicing
Lat/Long:	36.7432671,-107.7238998		

the 5-1/2" casing to circulate out the BH valve. If unable to circulate, top off as necessary.

14. ND BOP and cut off wellhead below surface casing flange per regulation. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors.
15. Mobilize equipment to next location.

Date: 9/11/17

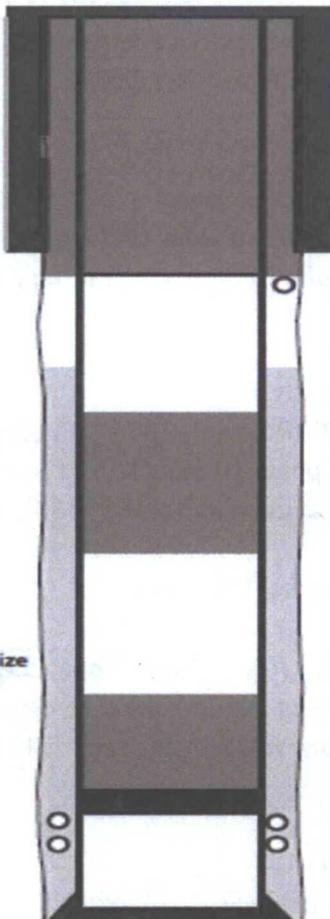
Elevation: 6263' GL
6276' KB
KB: 13'

Ojo Alamo @ 2280'
Kirtland @ 2378'

Hole Size
7-1/4"

Fruitland @ 2726'

Pictured Cliffs @ 2898'



Hole Size: 12-1/4"

8-5/8", 23#, Casing set @ 272'
Cement w/ 130 sxs, circulated cmt to surf

Plug #3: 300' - 0'.
Class B cement, 85 sxs (100 cf)

Perforate @ 300'

TOC - 1386'
(CBL ran on 1-23-1993)

Plug #2: 2180' - 2330'
Class B cement, 17 sx (20 cf)

Set CICR at 2693'
Plug #1: 2626' - 2693'
Class B cement, 10 sxs (11.8 cf)
Fruitland Coal Perfs:
2743' - 2875'

5-1/2", 15.5#, J-55 casing set @ 3076'
Cement w/ 450 sx & 100 sx tail
TOC: 1386' (temp survey)

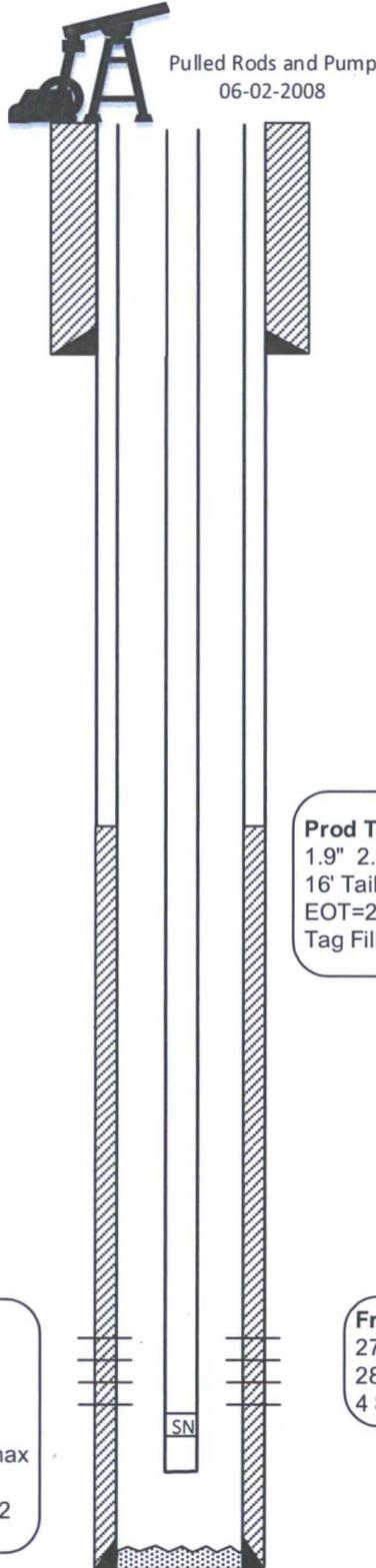
PBTD: 2979'
TD: 3081'



Southland Royalty Company

CURRENT WBD

**Federal 29-9-12 #2
San Juan County, NM**



Prepared by: CArnold
 Date: 09/05/2017

KB = 13'
 KB = 6,276'
 GL = 6,263'
 API# 30-045-28738

Spud Date: 09/21/1992
 Date Completed: 02/01/1993

TD - 3,081'; PBTD - 2,979'

12-1/4" hole to 272' KB.
Surface Csg: 6 jts 8 5/8" 23# X42LS
Setting Depth: 272'

Cement
200 Sx Class B
Circulated 14 bbls cmt to surface

7-7/8" hole to 3,081'
Production Csg: 5-1/2" 15.5# J-55
Setting Depth: 3,076'

Cement:
Lead: 450 Sx Pacemaker Lite
Tail: 100 Sc Class B
No Cmt Returns
TOC @ 1,386' (CBL 1-23-93)

Ojo Alamo: 2,280'
 Kirtland: 2,378'
 Fruitland: 2,726'
 Pictured Cliffs: 2,898'

Prod Tbg 06/02/2008:
 1.9" 2.90# J-55 Tbg
 16' Tail Jt, 4' PS, SN, 88 Jts Tbg, 2x8' Subs
 EOT=2,900' KB; SN @ 2,881'
 Tag Fill @ 2,930'

Fruitland Coal Frac 01/25/1993:
 2743-2875'
 729 bbls 2% KCL Wtr
 1,257,800 scf N2
 147,000# 20/40 Brady Sd- 5ppg max
 ATP 2419 psi; AIR 74 bpm;
 ISIP/5/10/15: 1800/1603/1546/1502

Fruitland Coal Perfs:
 2743-47', 2751-56', 2782-86'
 2802-26' 2863-75'
 4 SPF; 0.45" dia

PBTD: 2,979'

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Federal 29-9-12 #2

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.

3. The following modifications to your plugging program are to be made:

- a) Set plug #1 (2693 – 2511) ft. to cover the Fruitland top. BLM picks top of Fruitland at 2561ft.
- b) Bring top of plug #2 to 1701 ft. to cover the Ojo Alamo top. BLM picks top of Ojo Alamo at 1751 ft. Adjust cement volume accordingly.

CBL was run on 1/23/1993. TOC at 1386 ft.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.