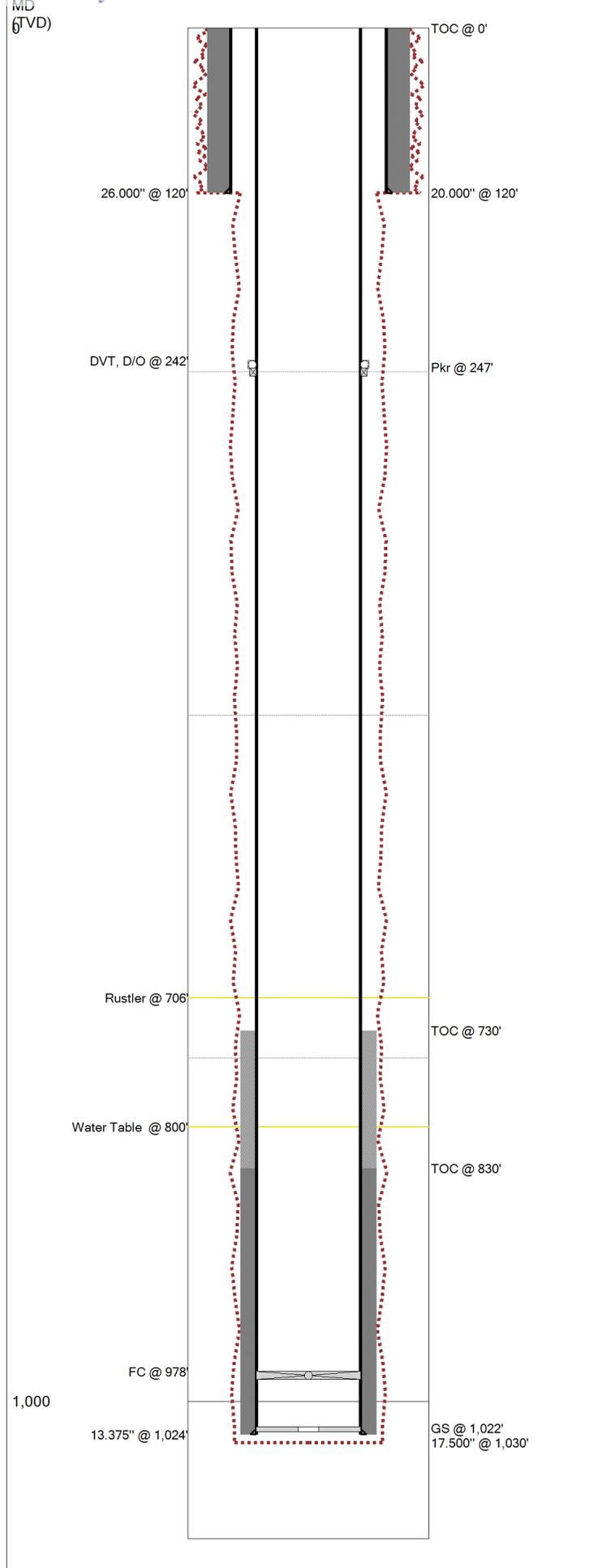


1. The plan to P&A will be to inflate the ECP and open the DV tool. Pump 150sx 14.8ppg 1.33 yield Class C + 4% CaCl₂ cement. Cement outside casing from 284'MD to surface. (Verify at Surface)
2. Drill out DV tool. RIH to 720' and set retainer. Establish an injection rate and pump 450sx 14.8ppg 1.33 yield Class C + 4% CaCl₂ cement. POOH. Set CIBP at 700'MD. (If injection cannot be established, Perf and Squeeze @ 670'. Pump 450 sx Class C. Set CIBP at 650'.)
3. Cement inside 13.375" casing from 700' – surface with 460sx 14.8ppg 1.33 yield Class C + 4% CaCl₂. Cut off casing and conductor 4' below ground and place a marker. (Alternatively, for Perf and Squeeze, Cement inside 13.375" casing from 670'-surface with 460sx class C.) Verify at surface.



Last Updated: 1/13/2021 08:46 AM

Field Name		Lease Name		Well No.		
Comanche		Comanche 25-36 Federal State Com		2H		
County		State		API No.		
Lea		New Mexico		30-025-47450		
Version		Version Tag				
1		Current				
GL (ft)	KB (ft)	Section	Township/Block	Range/Survey		
2,946.0	2,969.0	25	26S	35E		
Operator		Well Status	Latitude	Longitude		
Caza Operating		Current	32.02050152	-103.31744465		
Dist. N/S (ft)	N/S Line	Dist. E/W (ft)	E/W Line	Footage From		
349	FNL	1475	FEL	SECTION		
Prop Num		Spud Date	Comp. Date			
328896						
Additional Information						
OGRID	Pool Name and Code		Well Type	Dedicated Acres		
249099	WC-025 G-09 S263619C: Wolfcamp (98234)		Oil	233.22		
Prepared By		Updated By		Last Updated		
Steve Morris		Steve Morris		1/13/2021 8:46 AM		
Hole Summary						
Date	Diam. (in)	Top (MD ft)	Bottom (MD ft)	Comments		
	26.000	0	120			
	17.500	120	1,030			
Tubular Summary						
Date	Description	O.D. (in)	Wt (lb/ft)	Grade	Top (MD ft)	Bottom (MD ft)
	Conductor Casing	20.000	94.00	H40	0	120
	Surface Casing	13.375	54.50	J55	0	1,024
Casing Cement Summary						
C	Date	No. Sx	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
		105	20.000	0	120	
		715	13.375	730	830	
		415	13.375	830	1,024	
Tools/Problems Summary						
Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)	
	DVT, D/O	13.375	0.000	242	0	
	Pkr	15.000	13.375	247	0	
	FC	13.375	0.000	978	0	
	GS	13.375	0.000	1,022	0	
Formation Tops Summary						
Formation	Top (TVD ft)	Comments				
Rustler	706					
Water Table	800					

Last Updated: 1/13/2021 08:46 AM

Field Name		Lease Name		Well No.	County		State		API No.	
Comanche		Comanche 25-36 Federal State Com		2H	Lea		New Mexico		30025474500000	
Version	Version Tag			Spud Date		Comp. Date		GL (ft)	KB (ft)	
1	Current							2,946.0	2,969.0	
Section	Township/Block		Range/Survey		Dist. N/S (ft)	N/S Line	Dist. E/W (ft)	E/W Line	Footage From	
25	26S		35E		349	FNL	1,475	FEL	SECTION	
Operator			Well Status			Latitude		Longitude		Prop Num
Caza Operating			Current			32.02050152		-103.31744465		328896
OGRID		Pool Name and Code			Well Type			Dedicated Acres		
249099		WC-025 G-09 S263619C: Wolfcamp (98234)			Oil			233.22		
Last Updated		Prepared By				Updated By				
01/13/2021 8:46 AM		Steve Morris				Steve Morris				
Additional Information										
Hole Summary										
Date	Diam. (in)	Top (MD ft)	Bottom (MD ft)	Comments						
	26.000	0	120							
	17.500	120	1,030							
Tubular Summary										
Date	Description	No. Jts	O.D. (in)	Wt (lb/ft)	Grade	Coupling	Top (MD ft)	Bottom (MD ft)	Comments	
	Conductor Casing	3	20.000	94.00	H40	BTC	0	120		
	Surface Casing	23	13.375	54.50	J55	BTC	0	1,024		
Casing Cement Summary										
C	Date	No. Sx	Yield (ft3/sk)	Vol. (ft3)	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments	
		105	1.35	142	20.000	0	120	14.8ppg Class C		
		715	1.65	1,180	13.375	730	830	12.8ppg Class C 35/65 POZ		
		415	1.33	552	13.375	830	1,024	14.8ppg Class C		
Tools/Problems Summary										
Date	Tool Type		O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments		
	DV tool (drilled out)		13.375	0.000	242	0				
	Packer		15.000	13.375	247	0	ECP			
	Float Collar		13.375	0.000	978	0				
	Guide Shoe		13.375	0.000	1,022	0				
Formation Top Summary										
Formation Name		Top(TVD ft)		Comments						
Rustler		706								
Water Table		800								

**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 (LPC Habitat)**

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 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. **Notification:** 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. **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. 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. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): 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.** Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires 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 below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: 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. **Show date well was plugged.**

8. Trash: 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 objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted



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 pre-disturbance 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 (Contact service companies, allowing plenty of time to have the risers and power lines and poles removed prior to reclamation, don't wait till the last day and try to get them to remove infrastructure). Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute 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.

1. 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 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:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias
Environmental Protection Specialist
575-234-6230

Crisha Morgan
Environmental Protection Specialist
575-234-5987

Melissa Horn
Environmental Protection Specialist
575-234-5951

Kelsey Wade
Environmental Protection Specialist
575-234-2220

Trishia Bad Bear, Hobbs Field Station
Natural Resource Specialist
575-393-3612

Well Name: COMANCHE 25-36 FED STATE COM	Well Location: T26S / R35E / SEC 25 / NWNE / 32.0205015 / -103.3174446	County or Parish/State: LEA / NM
Well Number: 2H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM125402	Unit or CA Name:	Unit or CA Number:
US Well Number: 00	Well Status: Approved Application for Permit to Drill	Operator: CAZA OPERATING LLC

Notice of Intent

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 01/13/2021

Time Sundry Submitted: 08:26

Date proposed operation will begin: 05/09/2021

Procedure Description: Surface hole drilled to 1030'MD. Top of Rustler at 706'MD. Top of Salt at 1057'MD. 13.375" Casing set at 1024'MD. DV/ECP at 284'MD Loss Zone start 381'MD Casing parted at 730'MD Wiper plug at 730'MD Cement inside 13.375" casing from 730' – 1024'MD Cement outside 13.375" casing from 730' – 1024'MD The plan to P&A will be to inflate the ECP and open the DV tool. Pump 150sx 14.8ppg 1.33 yield Class C + 4% CaCl2 cement. Cement outside casing from 284'MD to surface. Drill out DV tool. RIH to 720' and set retainer. Establish an injection rate and pump 450sx 14.8ppg 1.33 yield Class C + 4% CaCl2 cement. POOH. Set CIBP at 700'MD. Cement inside 13.375" casing from 700' – surface with 460sx 14.8ppg 1.33 yield Class C + 4% CaCl2. Cut off casing and conductor 4' below ground and place a marker.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Comanche_25_36_Fed_State_Com_2H___Current_WBS_20210113080914.pdf

FOR RECORD ONLY

K7

NMOCD

2/4/21

Well Name: COMANCHE 25-36 FED STATE COM

Well Location: T26S / R35E / SEC 25 / NWNE / 32.0205015 / -103.3174446

County or Parish/State: LEA / NM

Well Number: 2H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM125402

Unit or CA Name:

Unit or CA Number:

US Well Number: 00

Well Status: Approved Application for Permit to Drill

Operator: CAZA OPERATING LLC

Conditions of Approval

Specialist Review

Comanche_25_36_Fed_State_Com_2H_P_A_20210113093634.pdf

Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: MORRIS

Signed on: JAN 13, 2021 08:26 AM

Name: CAZA OPERATING LLC

Title: Engineer

Street Address: 200 NORTH LORRAINE SUITE 1550

City: MIDLAND

State: TX

Phone: (432) 638-8475

Email address: NOT ENTERED

Field Representative

Representative Name: STEVE MORRIS

Street Address: 200 N. LORRAINE ST 1550

City: MIDLAND

State: TX

Zip: 79701

Phone: (985)415-9729

Email address: steve.morris@morcorengineering.com

BLM Point of Contact

BLM POC Name: Long Vo

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5752345972

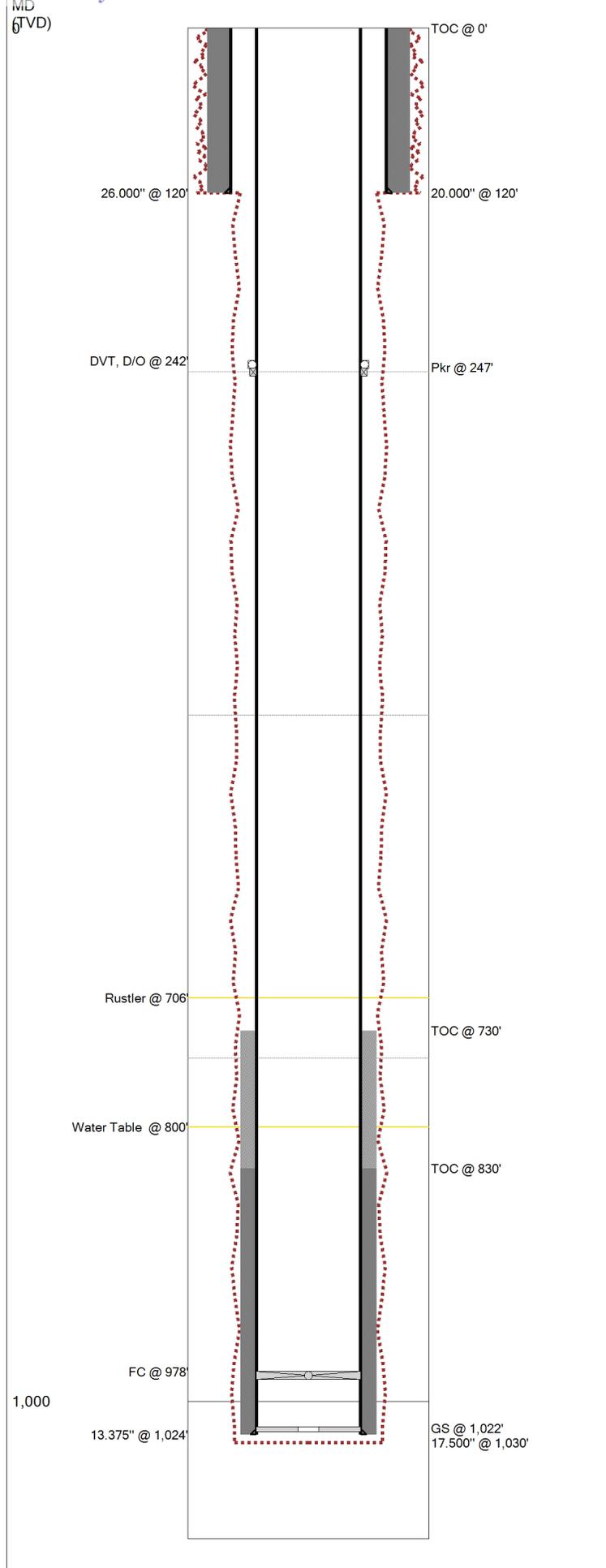
BLM POC Email Address: lvo@blm.gov

Disposition: Approved

Disposition Date: 01/13/2021

Signature: Long Vo

1. The plan to P&A will be to inflate the ECP and open the DV tool. Pump 150sx 14.8ppg 1.33 yield Class C + 4% CaCl₂ cement. Cement outside casing from 284'MD to surface. (Verify at Surface)
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3. Cement inside 13.375" casing from 700' – surface with 460sx 14.8ppg 1.33 yield Class C + 4% CaCl₂. Cut off casing and conductor 4' below ground and place a marker. (Alternatively, for Perf and Squeeze, Cement inside 13.375" casing from 670'-surface with 460sx class C.) Verify at surface.



Last Updated: 1/13/2021 08:46 AM

Field Name		Lease Name		Well No.		
Comanche		Comanche 25-36 Federal State Com		2H		
County		State		API No.		
Lea		New Mexico		30-025-47450		
Version		Version Tag				
1		Current				
GL (ft)	KB (ft)	Section	Township/Block	Range/Survey		
2,946.0	2,969.0	25	26S	35E		
Operator		Well Status	Latitude	Longitude		
Caza Operating		Current	32.02050152	-103.31744465		
Dist. N/S (ft)	N/S Line	Dist. E/W (ft)	E/W Line	Footage From		
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Prop Num		Spud Date	Comp. Date			
328896						
Additional Information						
OGRID	Pool Name and Code		Well Type	Dedicated Acres		
249099	WC-025 G-09 S263619C: Wolfcamp (98234)		Oil	233.22		
Prepared By		Updated By		Last Updated		
Steve Morris		Steve Morris		1/13/2021 8:46 AM		
Hole Summary						
Date	Diam. (in)	Top (MD ft)	Bottom (MD ft)	Comments		
	26.000	0	120			
	17.500	120	1,030			
Tubular Summary						
Date	Description	O.D. (in)	Wt (lb/ft)	Grade	Top (MD ft)	Bottom (MD ft)
	Conductor Casing	20.000	94.00	H40	0	120
	Surface Casing	13.375	54.50	J55	0	1,024
Casing Cement Summary						
C	Date	No. Sx	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
		105	20.000	0	120	
		715	13.375	730	830	
		415	13.375	830	1,024	
Tools/Problems Summary						
Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)	
	DVT, D/O	13.375	0.000	242	0	
	Pkr	15.000	13.375	247	0	
	FC	13.375	0.000	978	0	
	GS	13.375	0.000	1,022	0	
Formation Tops Summary						
Formation		Top (TVD ft)	Comments			
Rustler		706				
Water Table		800				

Last Updated: 1/13/2021 08:46 AM

Field Name		Lease Name		Well No.	County	State	API No.		
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Operator			Well Status		Latitude		Longitude	Prop Num	
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Last Updated		Prepared By			Updated By				
01/13/2021 8:46 AM		Steve Morris			Steve Morris				
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Casing Cement Summary									
C	Date	No. Sx	Yield (ft3/sk)	Vol. (ft3)	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
		105	1.35	142	20.000	0	120	14.8ppg Class C	
		715	1.65	1,180	13.375	730	830	12.8ppg Class C 35/65 POZ	
		415	1.33	552	13.375	830	1,024	14.8ppg Class C	
Tools/Problems Summary									
Date	Tool Type		O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments	
	DV tool (drilled out)		13.375	0.000	242	0			
	Packer		15.000	13.375	247	0	ECP		
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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. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): 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.** Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires 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 below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: 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. **Show date well was plugged.**

8. Trash: 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 objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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620 E. Greene St.
Carlsbad, New Mexico 88220-6292
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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 pre-disturbance 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 (Contact service companies, allowing plenty of time to have the risers and power lines and poles removed prior to reclamation, don't wait till the last day and try to get them to remove infrastructure). Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute 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.

1. 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 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:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias
Environmental Protection Specialist
575-234-6230

Crisha Morgan
Environmental Protection Specialist
575-234-5987

Melissa Horn
Environmental Protection Specialist
575-234-5951

Kelsey Wade
Environmental Protection Specialist
575-234-2220

Trishia Bad Bear, Hobbs Field Station
Natural Resource Specialist
575-393-3612

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 14763

CONDITIONS OF APPROVAL

Operator: CAZA OPERATING, LLC Suite 1550	200 N Loraine St Midland, TX79701	OGRID: 249099	Action Number: 14763	Action Type: C-103F
OCD Reviewer kfortner		Condition None		