

Form 3160-5  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OM B No. 1004-0135  
Expires: January 31, 2004

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.  
NM-13419

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

6. If Indian, Allottee or Tribe Name

1. Type of Well  
☒ Oil Well    ☐ Gas Well    ☐ Other

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

2. Name of Operator  
BLM/State of New Mexico formerly Cano Petro of NM, Inc.

8. Well Name and No.  
Paye Federal #9

3a. Address  
2909 W. Second Street, Roswell, NM 88201

3b. Phone No. (include area code)  
575-622-5335

9. API Well No.  
30-005-20501

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1980 FSL & 660 FEL  
SEC 4, T8S, R31E UL-I

10. Field and Pool, or Exploratory Area  
Tom Tom; San Andres

11. County or Parish, State  
Chaves, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 recompleat 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 recompleat 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 site is ready for final inspection.)

SEE ATTACHED

Accepted for Record

Accepted for Record Only

SUBJECT TO LIKE  
APPROVAL BY BLM

NMOCD 8/30/21

K 7

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)  
John R. Stearns, Jr.

Title Plugging Supervisor

Signature

Date 11/24/20

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title PE

Date 11/24/2020

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 RFO

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)

Plugging Report  
Paye Federal #9  
30-005-20501

11/2/2020 Cleared location. Set matting board and rigged up. Dug out surface head. The 4 ½" casing is deteriorated and will have to be repaired in order to install a wellhead and the BOP. The 4 ½" casing is blocked off less than 1 foot from surface. Will address the problem after the wellhead and BOP is installed. SION

11/3/2020 Welder repaired casing. Installed Larkin wellhead and the BOP. Moved in workstring and picked up a bit. Cleaned down 1 foot (now at 2' from surface and could not make any more progress. Laid down bit and picked up notched collar. Turned down 3" to 4" and POOH. Notched collar was plugged off with what looked like cement. Worked down about another foot, 3 inches at a time. Each time recovering solid cement that was plugging up the notched collar. Called BLM. Will move in a reverse unit and attempt to drill out tomorrow.

11/4/2020 Moved in reverse unit and picked up a 3 1/8" collar with a 3 ¾" bit. Tagged up and began to drill cement out. Water began coming out of the surface head while drilling cement out around 6' from surface. There is a hole in the 4 ½" casing there. Broke through cement after drilling 7'. Approx. 10' from surface. Laid down the swivel and attempted to run in the hole with the workstring and a 3 ¾" bit. Could not get the bit past the BOP into the 4 ½" casing. Pulled bit and looked into the BOP with a flashlight. Fished out 2 paper drilling mud bags and a rag. RIH with workstring and tagged up at 444'. Could not rotate down with the tongs and got stuck. Worked free and POOH. Started to pick up the drill collars and the well kicked. Closed the BOP and opened the well to the pit. While blowing down the well, noticed gas bubbling up from around the surface casing in the cellar. Must be a hole in the 8 5/8" surface casing. Set a packer at 60' to control the well. Dug out the cellar around the surface casing found 2 large holes about 3' down from the surface head. Covered the hole with heavy pipeline tape and filled the cellar with 10 sx cement. SION to let the cement dry.

11/5/2020 Arrived at location. Residual pressure had pushed the cement out from around the wellhead in the cellar. Refilled the cellar with 10 sx cement. WOC 4 hrs. Cement was still too soft to continue. Shut down to let cement dry.

11/6/2020 RIH and tagged up at 444'. Picked up swivel and caught circulation. Started drilling down. The returns were all frac sand. Fell through and lost circulation at 553'. Laid down swivel. RIH to 1310' and tagged up again. Picked up swivel and regained scattered circulation with 20 bbls. Notice water bubbling out of the ground around the cellar and under the rig. Stopped pumping and laid down the swivel. Call BLM. Laid down tubing and the drill collars. Rigged down the unit. Will dig out Monday and inspect the surface casing further down in the cellar.

11/9/2020 Dug out cellar until good pipe was exposed below the mud line. Used a 42" piece of 40# 9 5/8" casing to sleeve the deteriorated 8 5/8" surface pipe. Fill the cellar back in and set a large matting board. Move the rig back in position over the wellbore. Could not rig up due to high winds.

11/10/2020 Rigged up, picked up collars and workstring. Tagged up at 1310'. Caught circulation and started rotating down. Returns showed scale and a little formation that looked like red bed. Well



started kicking gas at 1459'. Continued working down hole. Well continued to kick. Reached 1554' and SION.

11/11/2020 Tagged up at 1554', caught circulation and began to rotate down. Drilled down to 1649' and water began to rise in the cellar around the wellhead. Stopped pumping. Dug down to inspect the surface casing. The water was coming from below the last repair. The last repair ended 6' from ground level. Refilled cellar. POOH with tubing and Laid down the bit and drill collars. Picked up a 4' perforated sub with a bull plug. RIH with workstring. Went past 1649' with the narrower bottom assembly and tagged up at 2085'. Tag was soft. Worked down 5 more feet into the soft fill and stopped. Called BLM and SION.

11/12/2020 Dug out cellar and found 2 more holes approximately 11' from surface in the 8 5/8" surface casing. Welded patches over the two holes and another patch on the casing where it looked week. Refilled and packed the cellar. Set the large matting board and rigged back up.

11/13/2020 RIH with notched collar and workstring and tagged up at 2085'. Picked up swivel, caught circulation and began to rotate down. Drilled through a plug in the 4 1/2" casing that was formation, mud and iron oxide. Broke through at 2220'. Picked up 5 more joints with the swivel with no issue. Circulated clean and laid down the swivel. Continued to pick up tubing and RIH to 3774'. Circulated MLF and spot 25 sx Class C cement as per BLM. POOH and shut down.

11/16/2020 Tagged cement at 3457'. POOH and perforated at 2014'. Set packer at 1586' and pressured up on perfs. Could not establish injection rate. POOH with packer and RIH with tubing to 2069' and spot 25 sx cement with CaCl. WOC and tagged at 1784'. POOH and perforated casing at 1500'. SION

11/17/2020 Set packer at 1078' and pressured up on perfs to 600#. Could not establish injection rate. Pull packer and RIH with tubing to 1554' and spot 25 sx cement with CaCl. WOC and tagged at 1209'. Picked up packer and isolated bad casing from 539' and 1015'. Pulled packer and RIH with tubing to 1078' and spot 40 sx cement. POOH and SION

11/18/2020 Tagged cement at 634'. Set packer at 30' and pressured up to 600#. Held with no drop. Pulled packer and perforated casing at 455'. Set packer at 30' and established circulation. Pumped cement under the packer to the perfs at 455' and up the annulus to surface. Took 130 sx to get good cement to the pit. Rigged down, dug out cellar, and cut off wellhead. Filled up both strings with 10 sx cement. Cement remained at the surface. Installed marker, removed anchors and cleaned the pit.



BLM FOR CANO PETRO OF NM

PAYE FED 9

API 30-005-2050 1

NM-13419

1980 FSL 660 FEL

SEC 4 T8S R31E

CHAVES CO NM

11-18-20



**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**

QUESTIONS

Action 44973

**QUESTIONS**

Operator: CANO PETRO OF NEW MEXICO, INC. 801 Cherry Street Fort Worth, TX 76102	OGRID: 248802
	Action Number: 44973
	Action Type: [C-103] Sub. Release After P&A (C-103Q)

**QUESTIONS****Subsequent Report of: Location Ready For OCD Inspection After P&A**

*For the sake of brevity and completeness, please allow for the following in all groups of questions and for the rest of this application:*

- lease and well location, hereinafter "location";
- flowlines or pipelines, hereinafter "pipelines";
- and non-retrieved or abandoned, hereinafter "abandoned".

Was this the last remaining or only well on the location	Not answered.
Are there any abandoned pipelines that are going to remain on the location	Not answered.
Is there any production equipment or structure (not including steel marker, poured onsite concrete bases, or pipelines) that is going to remain on the location	Not answered.
If any production equipment or structure is to remain on the location, please specify	Not answered.

**Site Evaluation**

*Please answer all questions in this group.*

Have all the required pits been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan	Not answered.
Have the rat hole and cellar been filled and leveled	Not answered.
Have the cathodic protection holes been properly abandoned	Not answered.
Has a steel marker, at least 4 inches in diameter and at least 4 feet above ground level, been set in concrete	Not answered.
The (concrete-set) steel marker shows: Must attach marker photograph(s). *	<b>THE OPERATOR NAME, LEASE NAME AND WELL NUMBER AND LOCATION, INCLUDING UNIT LETTER, SECTION, TOWNSHIP AND RANGE, SHALL BE WELDED, STAMPED OR OTHERWISE PERMANENTLY ENGRAVED INTO THE MARKER'S METAL.</b>
Has the location been leveled as nearly as possible to original ground contour	Not answered.
Have all the required pipelines and other production equipment been cleared	Not answered.
Has all the required junk and trash been cleared from the location	Not answered.
Have all the required anchors, dead men, tie downs and risers have been cut off at least two feet below ground level	Not answered.
Have all the required metal bolts and other materials have been removed	Not answered.
<b>Poured onsite concrete bases do not have to be removed.</b>	
Have all the the required portable bases been removed	Not answered.
Have all other environmental concerns have been addressed as per OCD rules	Not answered.
If any environmental concerns remain on the location, please specify	Not answered.

\* Proof of the site marker (photograph) is required.

Please submit any other site photographs that would assist in documenting the above answers, site features, additional concerns, or other nearby / remaing structures and equipment.

**Abandoned Pipelines**

*Only need to provide answers in this group, if any pipelines have been abandoned (in accordance with 19.15.35.10 NMAC).*

Have all fluids have been removed from any abandoned pipelines	Not answered.
Have all abandoned pipelines been confirmed to <b>NOT</b> contain additional regulated NORM, other than that which accumulated under normal operation	Not answered.
Have all accessible points of abandoned pipelines been permanently capped	Not answered.

**Last Remaining or Only Well on the Location**

*Please answer all questions that apply in this group, specifically if there is no longer going to be any well or facility remaining at this location.*

Have all electrical service poles and lines been removed from the location	Not answered.
Is there any electrical utility distribution infrastructure that is remaining on the location	Not answered.
Have all the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan	Not answered.
Have all the retrievable pipelines, production equipment been removed from the location	Not answered.
Has all the junk and trash been removed from the location	Not answered.



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ACKNOWLEDGMENTS

Action 44973

**ACKNOWLEDGMENTS**

Operator: CANO PETRO OF NEW MEXICO, INC. 801 Cherry Street Fort Worth, TX 76102	OGRID: 248802
	Action Number: 44973
	Action Type: [C-103] Sub. Release After P&A (C-103Q)

**ACKNOWLEDGMENTS**

<input checked="" type="checkbox"/>	I hereby certify that all the work has been completed for this location and the site is ready for an OCD scheduled inspection.
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CONDITIONS  
  
Action 44973

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Operator: CANO PETRO OF NEW MEXICO, INC. 801 Cherry Street Fort Worth, TX 76102	OGRID: 248802
	Action Number: 44973
	Action Type: [C-103] Sub. Release After P&A (C-103Q)

CONDITIONS

Created By	Condition	Condition Date
kfortner	Like approval from BLM	8/29/2021