

| | | |
|--------------------------------|---|--|
| Well Name: SHEETS A | Well Location: T25N / R7W / SEC 6 / SENW / 36.431152 / -107.620499 | County or Parish/State: RIO ARRIBA / NM |
| Well Number: 2 | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: |
| Lease Number: NMSF080375A | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 300390616500S1 | Well Status: Producing Gas Well | Operator: MORNINGSTAR PARTNERS LP |

Notice of Intent

Sundry ID: 2653722

| | |
|--|--------------------------------------|
| Type of Submission: Notice of Intent | Type of Action: Plug and Abandonment |
| Date Sundry Submitted: 01/21/2022 | Time Sundry Submitted: 01:55 |
| Date proposed operation will begin: 04/20/2022 | |

Procedure Description: MorningStar requests approval to plug and abandon the Sheets A #2. Attached are the Proposed Procedure, WBD, Reclamation Plan, and Noxious Weed form.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- Sheets_A_2_Noxious_Weed_Form_20220121135425.pdf
- Reclamation_Plan___Sheets_A_2_20220121135415.pdf
- Sheets_A_2_WBD_Proposed_PA_20220121135401.pdf
- Sheets_A_2_PA_Proposed_Procedure_20220121135346.pdf

Received by OCD: 2/9/2022 2:16:37 PM

Page 2 of 14

| | | |
|--------------------------------|---|--|
| Well Name: SHEETS A | Well Location: T25N / R7W / SEC 6 / SENW / 36.431152 / -107.620499 | County or Parish/State: RIO ARRIBA / NM |
| Well Number: 2 | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: |
| Lease Number: NMSF080375A | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 300390616500S1 | Well Status: Producing Gas Well | Operator: MORNINGSTAR PARTNERS LP |

Conditions of Approval

Additional Reviews

2653722_NOIA_A_2_3003906165_KR_02042022_20220204101321.pdf

General_Requirement_PxA_20220204101303.pdf

25N07W06FKpc_Sheets_A_2_20220204093325.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: CONNIE BLAYLOCK | Signed on: JAN 21, 2022 01:54 PM |
| Name: MORNINGSTAR PARTNERS LP | |
| Title: Regulatory Technician | |
| Street Address: 400 W 7th St. | |
| City: Forth Worth | State: TX |
| Phone: (817) 334-7882 | |
| Email address: CBLAYLOCK@MSPARTNERS.COM | |

Field Representative

| | | |
|--------------------------------------|--------|------|
| Representative Name: Amy Byars | | |
| Street Address: | | |
| City: | State: | Zip: |
| Phone: | | |
| Email address: abyars@mspartners.com | | |

BLM Point of Contact

| | |
|---------------------------------|---|
| BLM POC Name: KENNETH G RENNICK | BLM POC Title: Petroleum Engineer |
| BLM POC Phone: 5055647742 | BLM POC Email Address: krennick@blm.gov |
| Disposition: Approved | Disposition Date: 02/04/2022 |
| Signature: Kenneth Rennick | |

**GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON FIELD OFFICE**

1.0 The approved plugging plans may contain variances from the following minimum general requirements.

1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.

1.2 Requirements may be added to address specific well conditions.

2.0 Materials used must be accurately measured. (densometer/scales)

3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.

3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.

4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.

4.1 The cement shall be as specified in the approved plugging plan.

4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.3 Surface plugs may be no less than 50' in length.

4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.

4.6 A cement bond log or other accepted cement evaluation tool is required to be run if one had not been previously ran or cement did not circulate to surface during the original casing cementing job or subsequent cementing jobs.

5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.

- 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.
- 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.
- 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
- 5.4 If perforations are required below the surface casing shoe, a 30 minute minimum wait time will be required to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. Short or long term venting may be necessary to evacuate trapped gas. **If only a water flow occurs with no associated gas, shut well in and record the pressures. Contact the Engineer as it may be necessary to change the cement weight and additives.**

6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.

- 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
- 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.

7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H₂S.

8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.

9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

(October 2012 Revision)

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

AFMSS 2 Sundry ID 2653722

Attachment to notice of Intention to Abandon

Well: Sheets A 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 at (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Plug 2 (Fruitland): Bring the top to 2380 feet.
 - b) Plug 3 (Ojo Alamo): Adjust to cover the interval from 1864 to 2252 feet for the Ojo Alamo and Kirtland formation tops.
 - c) Plug 4 (Nacimiento): Adjust to cover BLM formation top pick at 460 feet.

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.

K. Rennick 2/4/2022

BLM FLUID MINERALS P&A Geologic Report

Date Completed: 2/4/2022

| | | | | | | |
|--|------------|---------------------------|-----|-------|------------|-----|
| Well No. Sheets A #2 (API# 30-039-06165) | Location | 1840 | FNL | & | 1498 | FWL |
| Lease No. NMSF-080375A | Sec. 06 | T25N | | | R07W | |
| Operator MorningStar Operating, LLC | County | San Juan | | State | New Mexico | |
| Total Depth 2925' | PBTD 2880' | Formation Pictured Cliffs | | | | |
| Elevation (GL) 7015' | | Elevation (KB) 7025' | | | | |

| Geologic Formations | Est. Top | Est. Bottom | Log Top | Log Bottom | Remarks |
|---------------------|----------|-------------|---------|------------|-------------------------------|
| San Jose Fm | | | Surface | 460 | Surface/freshwater sands |
| Nacimiento Fm | | | 460 | 1914 | Possible freshwater sands |
| Ojo Alamo Ss | | | 1914 | 2202 | Aquifer (possible freshwater) |
| Kirtland Shale | | | 2202 | 2430 | |
| Fruitland Fm | | | 2430 | 2762 | Coal/Gas/Possible water |
| Pictured Cliffs Ss | | | 2762 | 2868 | Gas |
| Lewis Shale | | | 2868 | PBTD | |
| Chacra | | | | | Gas |
| Cliff House Ss | | | | | Water/Possible gas |
| Menefee Fm | | | | | Coal/Ss/Water/Possible O&G |
| Point Lookout Ss | | | | | Probable water/Possible O&G |
| Mancos Shale | | | | | |
| Gallup | | | | | O&G/Water |
| Greenhorn | | | | | |
| Graneros Shale | | | | | |
| Dakota Ss | | | | | O&G/Water |

Remarks:

P & A

- BLM picks for the Fruitland, Ojo Alamo, and Nacimiento formations vary from Operator picks.

- Bring the top of Plug #2 (Fruitland) to 2380'.

- Adjust Plug #3 (Ojo Alamo) to cover the interval from 1864' – 2252' to cover BLM picks for the Ojo Alamo and Kirtland formation tops.

- Adjust Plug #4 (Nacimiento) to cover BLM formation top pick at 460'.

- The plugs proposed in the P&A procedure, with changes recommended above, will adequately protect any freshwater sands in this well bore.

- Pictured Cliffs perms 2762' – 2864'.

Reference Well:

1) **Formation Tops**
Same

Prepared by: Chris Wenman

PROPOSED P&A PROCEDURE

Sheets A 2

1. MIRU.
2. POOH w/ tubing.
3. Run a casing scraper to 2,750'
4. Set CICR @ 2,725'
5. Spot plug 1 with 25 sx Class B Cement on top of plug. (est'd TOC @ 2,575'). WOC, test casing integrity.
6. RU and run CBL.
7. Circulate hole with mud laden fluid.
8. Spot cement plug 2 from 2,538' – 2,380' with 25 sx Class B cement.
9. Spot cement plug 3 from 2,252' – 1,864' with 60 sx Class B cement.
10. Perforate at 510', spot balanced cement plug from 510' – 410' plus 100% excess with a total of 71 sx Class B cement.
11. Perforate at 172', spot balanced cement plug from 172' to surface with 72 sx Class B cement. Ensure cement at surface on all strings of casing, top off as needed.
12. Cut off wellhead below surface casing flange. Install P&A marker.

**MorningStar
Operating, LLC**

Current WBD

**Sheets A 2
Rio Arriba County, NM**

All depths include KB
TD – 2,925'; PBTD – 2,880'

Surface Csg: 3 jts 8 5/8" 32#, J-55
Setting Depth: 122'

Cement
125 sx Cement
Cmt circulated

Production Csg: 80 jts 5-1/2" 15.5# J-55
Setting Depth: 2925'

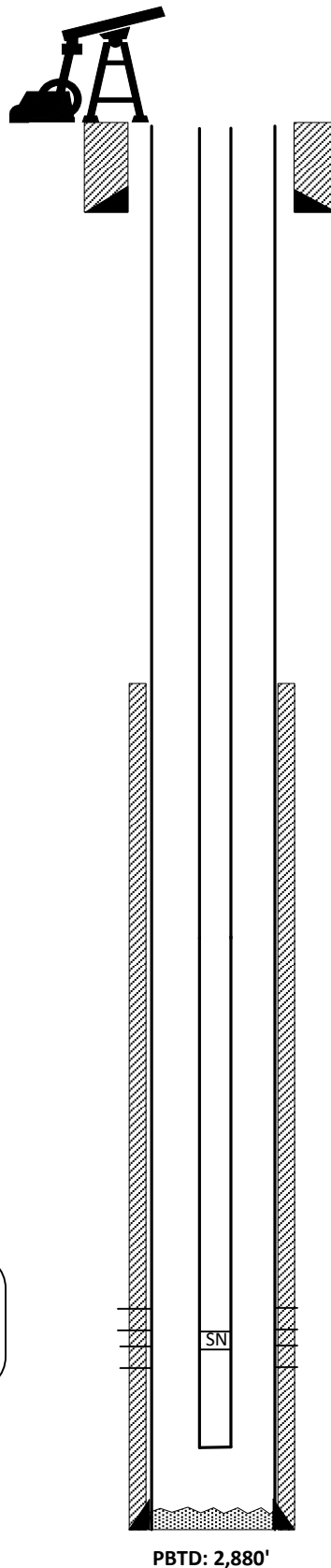
Cement:
150 sx cement
TOC unknown

Prepared by: J. Marschall
Date: 11/05/2021

KB = 10'
GL = 7,015'
API# 30-039-06165

Spud Date: 07/07/1956
Date Completed: 07/17/1956

Nacimiento (per BLM) – 460'
Ojo Alamo – 2,034'
Kirtland – 2,202'
Fruitland – 2,438'
Picture Cliffs – 2,762'



Picture Cliffs Perfs (1957):

Perfs 2,762' – 2,788' (4spf)
2,841' – 2,864' (4spf)

1 3/8" Tubing to 2,856'

PBTD: 2,880'

MorningStar Operating, LLC

Sheets A 2
Rio Arriba County, NM

Proposed P&A

Prepared by: J. Marschall
Date: 11/05/2021

KB = 10'
GL = 7,015'
API# 30-039-06165

Spud Date: 07/07/1956
Date Completed: 07/17/1956

All depths include KB
TD – 2,925'; PBTD – 2,880'

Surface Csg: 3 jts 8 5/8" 32#, J-55
Setting Depth: 122'

Cement
125 sx Cement
Cmt circulated

Production Csg: 80 jts 5-1/2" 15.5# J-55
Setting Depth: 2925'

Cement:
150 sx cement
TOC unknown

1 3/8" Tubing to 2,856'

Picture Cliffs Perfs (1957):

Perfs 2,762' – 2,788' (4spf)
2,841' – 2,864' (4spf)

PLUG 4 (inside/outside)
Perf 5 1/2" casing at 172'
72 sx cement 172' - surface

Nacimiento (per BLM) – 460'
Ojo Alamo – 2,034'
Kirtland – 2,202'
Fruitland – 2,438'
Picture Cliffs – 2,762'

PLUG 4 (inside/outside)
Perf 5 1/2" casing at 510'
Outside 40 sx cement, 410' – 510' plus 100% excess
Inside 31 sx cement, 410' – 510' plus 100% excess

PLUG 3
60 sx cement 1,864' – 2,252'

PLUG 2
25 sx cement 2,380' – 2,538'

PLUG 1
25 sx cement 2,575' - 2,725'

CIBP set @ 2,725'

PBTD: 2,880'

P&A RECLAMATION PLAN
Sheets A #2
API: 30-039-06165

General Notes:

- MorningStar Operating LLC will comply with the requirements in accordance with the approved Sundry Notice associated with this submittal.
- MorningStar Operating LLC will notify the BLM at least 48 hours prior to commencing reclamation earthwork.
- MorningStar Operating LLC will notify the BLM at least 48 hours prior to commencing with seeding application.
- Underground production piping on the well site will be removed or abandoned-in-place.
- If present, all MorningStar Operating LLC power poles, risers, rectifiers, solar panels, and radio equipment will be removed. Cathodic groundbeds will be plugged and abandoned.
- Rig anchors found on site will be removed.
- Disturbance will be limited to the well site footprint and access road boundaries.
- Surface equipment and trash, if any, will be removed.
- Gravel, if present, will be buried in the cut slope.
- The P&A marker will be permanent and comply with NMOCD regulations.

Well Site Reclamation:

- Mature healthy vegetation on the site perimeter will be left to the extent practical.
- Fill material on the location will be used to reclaim the site to near original and natural topography as is practical. A bulldozer/backhoe will be used to push/pull in the location edges to remove features to approximate the natural contours more closely.
- Natural drainage patterns will be established when possible and practical
- Silt traps will be utilized to mitigate erosion where applicable.
- The well pad and surrounding area are hilly and consists of clay loam.
- All disturbed areas will be seeded in accordance with the FFO Bare Soil Reclamation Procedure C.
- The pad will be ripped, scarified, or disked to a depth adequate for establishing a suitable root zone.
- Prior to seeding, the disturbed areas will be left with a rough surface to facilitate moisture and seed retention.
- A fence will be placed across the entrances of the reclaimed location to prevent future access to the reclaimed well site.
- Enterprise meter facilities will be removed.

Access Road Reclamation:

- The location access road will be brought to grade utilizing fill and material from location and seeded. Water bars or silt traps will be utilized to handle runoff where applicable.

Revegetation:

The planned initial seed mixture and application rates for the Sagebrush/Grass Community identified during the site visit will be as follows. The seed application rates may be adjusted according to various methods of application.

| Species | Select | | Lbs/acre (PLS)* |
|--------------------------|--------|------------------------|-----------------|
| Fourwing Saltbush | X | Pick two out of three | 2.0 |
| Antelope Bitterbrush | | | 2.0 |
| Winterfat | X | | 2.0 |
| Indian Ricegrass | X | Pick three out of five | 4.0 |
| Blue Grama | X | | 2.0 |
| Galleta | | | 3.0 |
| Sand Dropseed | | | 0.5 |
| Western Wheatgrass | X | | 4.0 |
| Bottle Brush Squartail | X | Pick one out of two | 3.0 |
| Siberian Wheatgrass | | | 3.0 |
| Small Burnet | | Pick one out of three | 2.0 |
| Rocky Mountain Bee Plant | | | 0.25 |
| Blue Flax | X | | 0.25 |
| TOTAL | | | 17.25 |

* Minimum if drill seeded. Double this rate if broadcast or hydroseeded.

- Seeding will be broadcast so the rates will be doubled and a rake or harrow will be used to incorporate the seed into the soil.
- Seed mixtures will be certified weed-free and the seeding records (bag labels) or other official documentation will be available to the BLM prior to seeding, upon request.
- Seeding will occur as soon as reasonably possible following completion of earthwork activities and timed for successful germination.
- The need for soil amendments is not expected or proposed.

Weed Management:

- MorningStar Operating's objective is to implement an integrated weed management program to control weed populations and establish desirable vegetation.
- No noxious weeds were noted during the onsite visit.
- If needed, weed management and control will be performed in an environmental conscious manner by a properly licensed contractor and within compliance of federal and state laws and regulations.

Monitoring:

- MorningStar Operating LLC will submit a Sundry Notice informing the BLM the earthwork and seeding are completed.
- After establishment of adequate vegetation, MorningStar Operating LLC will coordinate with the BLM and take photos of the site. This information will be submitted with a Sundry Notice (FAN) requesting approval of the reclaimed location.
- Any fencing installed to assist with re-vegetation will be removed once there is an agreement from the BLM that adequate vegetation growth has been obtained.

Attachments:

- Noxious Weed Form

Onsite Noxious Weed Form

If noxious weeds are found during the onsite, fill out form and submit to FFO weed coordinator
Operator MorningStar Operating LLC Surveyor(s) Randy McKee

Well Name and Number _____ Sheets A #2 _____ Date 1/26/22

Location: Township, Range, Section T 25N R 07W Sec 06

Location of Project NAD 83 Decimal Degrees Lat: 36.43131 Long: -107.62046

Class A Noxious Weed - Check Box if Found

| | | | | | | | | | |
|--------------------------|--------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|------------------|
| <input type="checkbox"/> | Alfombrilla | <input type="checkbox"/> | Diffuse knapweed | <input type="checkbox"/> | Hydrilla | <input type="checkbox"/> | Purple starthistle | <input type="checkbox"/> | Yellow toadflax. |
| <input type="checkbox"/> | Black henbane | <input type="checkbox"/> | Dyer's woad | <input type="checkbox"/> | Leafy spurge | <input type="checkbox"/> | Ravenna grass | <input type="checkbox"/> | |
| <input type="checkbox"/> | Camelthorn | <input type="checkbox"/> | Eurasian watermilfoil | <input type="checkbox"/> | Oxeye daisy | <input type="checkbox"/> | Scotch thistle | <input type="checkbox"/> | |
| <input type="checkbox"/> | Canada thistle | <input type="checkbox"/> | Giant salvinia | <input type="checkbox"/> | Parrotfeather | <input type="checkbox"/> | Spotted knapweed | <input type="checkbox"/> | |
| <input type="checkbox"/> | Dalmatian toadflax | <input type="checkbox"/> | Hoary cress | <input type="checkbox"/> | Purple loosestrife | <input type="checkbox"/> | Yellow starthistle | <input type="checkbox"/> | |

Class B Noxious Weed-Check Box if Found

| | | | | | | | |
|--------------------------|-------------|--------------------------|------------------------|--------------------------|------------------|--------------------------|----------------|
| <input type="checkbox"/> | African rue | <input type="checkbox"/> | Perennial oenotherweed | <input type="checkbox"/> | Russian knapweed | <input type="checkbox"/> | Tree of heaven |
| <input type="checkbox"/> | Chicory | <input type="checkbox"/> | Musk thistle | <input type="checkbox"/> | Poison hemlock | <input type="checkbox"/> | |
| <input type="checkbox"/> | Halogeton | <input type="checkbox"/> | Malta starthistle | <input type="checkbox"/> | Teasel | <input type="checkbox"/> | |

Comments:

No noxious weeds were observed.

FFO Representative: _____

sign and date

Operator Representative _____

sign and date

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 80350

CONDITIONS

| | |
|--|---|
| Operator: MorningStar Operating LLC 400 W 7th St Fort Worth, TX 76102 | OGRID: 330132 |
| | Action Number: 80350 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| kpickford | CBL required | 2/15/2022 |
| kpickford | Notify NMOCD 24 Hours Prior to beginning operations | 2/15/2022 |
| kpickford | Adhere to BLM approved plugs and COAs. See GEO Report | 2/15/2022 |