

Well Name: CV 14 FEDERAL	Well Location: T16S / R27E / SEC 14 / NWSW /	County or Parish/State: EDDY / NM
Well Number: 1	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM84851	Unit or CA Name:	Unit or CA Number:
US Well Number: 3001527792	Well Status: Producing Gas Well	Operator: CHI OPERATING INCORPORATED

Accepted for record – NMOCD gc 9/8/2022

Notice of Intent**Sundry ID:** 2688992**Type of Submission:** Notice of Intent**Type of Action:** Plug and Abandonment**Date Sundry Submitted:** 08/24/2022**Time Sundry Submitted:** 01:45**Date proposed operation will begin:** 11/15/2022

Procedure Description: Chi Energy Inc respectfully submits this corrected Notice of Intent to P&A this well. Adjustments to the proposed procedure were confusing, so an additional review of well history data was performed. Corrected wellbore schematics are attached. The proposed procedure based on record of adequate cement to surface is below. -MIRU, ND wellhead, NUBOP. -RIH unset pkr. -TOH prod equip. -RU swab unit & swab well. -POOH/LD swab equip. RU cmt equip. -Pump Class C to fill wellbore w/cmt -Verify cmt to surface -RD & MO Well operations are expected to begin within 90 days following agency approvals. Reclamation to be completed within BLM timeframe. Thank you for your time spent reviewing this submittal.

Surface Disturbance**Is any additional surface disturbance proposed?:** No**NOI Attachments****Procedure Description**

CV_14_Proposed_WBD_2022_v2_20220824134116.pdf

CV_14_Current_WBD_2022_v3_20220824134055.pdf

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INCORPORATED**Conditions of Approval****Specialist Review**

CV_14_FEDERAL_1__2688992__COA_AND_PROCEDURE_20220901161033.pdf

Operator

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

Operator Electronic Signature: SUSAN MAUNDER**Signed on:** AUG 24, 2022 01:41 PM**Name:** CHI OPERATING INCORPORATED**Title:** Regulatory Specialist**Street Address:** PO BOX 1799**City:** MIDLAND**State:** TX**Phone:** (432) 556-6501**Email address:** SMAUNDER@PROTONMAIL.COM**Field****Representative Name:****Street Address:****City:****State:****Zip:****Phone:****Email address:****BLM Point of Contact****BLM POC Name:** KEITH P IMMATTY**BLM POC Title:** ENGINEER**BLM POC Phone:** 5759884722**BLM POC Email Address:** KIMMATTY@BLM.GOV**Disposition:** Approved**Disposition Date:** 09/01/2022**Signature:** Keith Immatty

CURRENT

CURRENT WELLBORE SCHEMATIC		LEASE CV 14 Federal #1			
DATE	8/4/22	OPER: CHI Operating, Inc.			
		API 30-015-27792			
		LOCATION: Sec. 14, T-16-S, R-27-E, Eddy County, New Mexico			
		TD 9022'	PBD 1536'	KB 3,570'	DF 3,569'
		COD		DOD	
		GL 3,556'			
		Casing/TBG:			
SURF. 13 3/8" 48# J55 STC		DEPTH 340'	CMT 400 sx		
INTER. 8 5/8" 32# J55 STC		1600'	930 sx		
PROD.					
LINER					
TBG 2 7/8" 6.5# J-55		1410'			
PERFS:					
TUBING BREAKDOWN		ROD BREAKDOWN			
Tbg Hd					
ART. LIFT					
UNIT		SPM	RT		
MOTOR		SL	Cond		
NOTES					
13 3/8" 48# J55 STC; CMT Class C to Surface 8 5/8" 32# J55 STC; CMT Class C to Surface					
By:					

Chi Energy Inc respectfully submits this corrected Notice of Intent to P&A this well. Adjustments to the proposed procedure were confusing, so an additional review of well history data was performed. (**BLM Note: Verified cement tops on CR and is circulated to surface on both intervals**) Corrected wellbore schematics are attached. The proposed procedure based on record of adequate cement to surface is below.

- MIRU, ND wellhead, NUBOP.
- RIH unset pkr.
- TOH prod equip.
- RU swab unit & swab well.
- POOH/LD swab equip. RU cmt equip.
- **Tag and verify cement at ~1536'**
- Pump Class C to fill wellbore w/cmt **from 1536' to surface**
- Verify cmt to surface
- RD & MO

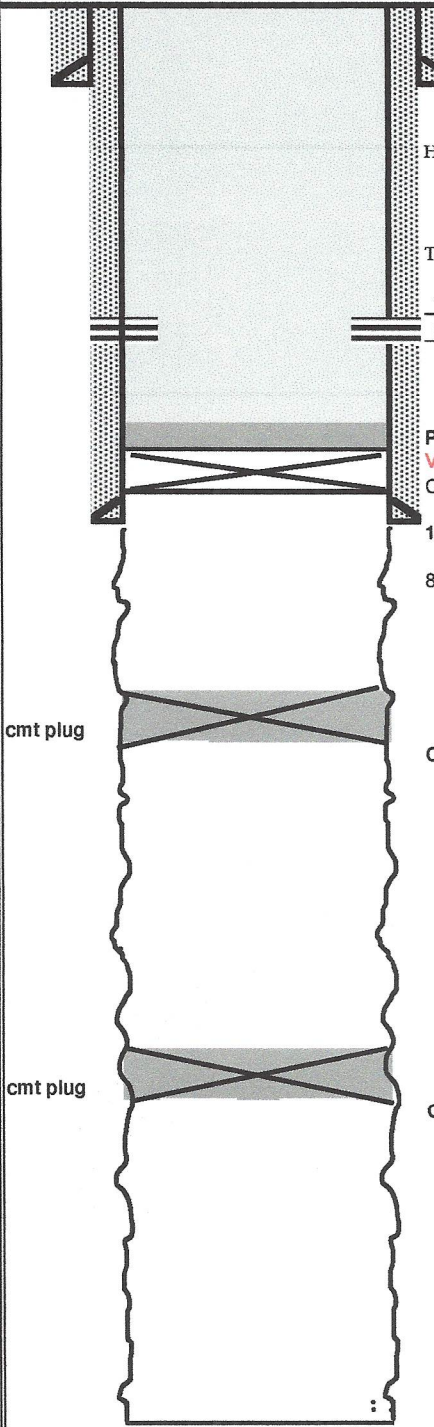
Well operations are expected to begin within 90 days following agency approvals. Reclamation to be completed within BLM timeframe.

Thank you for your time spent reviewing this submittal.

KEITH
IMMATTY

Digitally signed by
KEITH IMMATTY
Date: 2022.09.01
16:08:21 -06'00'

PROPOSED

PROPOSED WELLBORE SCHEMATIC		LEASE CV 14 Federal #1																																					
DATE	8/4/22	OPER: CHI Operating, Inc.	API 30-015-27792																																				
 <p style="position: absolute; top: 100px; left: 310px;">Cmt. 1536' to Surf.</p> <p style="position: absolute; top: 125px; left: 310px;">340'</p> <p style="position: absolute; top: 135px; left: 310px;">13 3/8" 48# J55 STC</p> <p style="position: absolute; top: 160px; left: 290px;">Hole Size 12 - 1/4"</p> <p style="position: absolute; top: 210px; left: 290px;">Tubing Set @1410'</p> <p style="position: absolute; top: 235px; left: 290px;">_TOP Perf 1482'</p> <p style="position: absolute; top: 245px; left: 290px;">_Bottom Perf 1494'</p> <p style="position: absolute; top: 295px; left: 290px;">PBD 1536' (TAG AND VERIFY)</p> <p style="position: absolute; top: 315px; left: 290px;">CIBP w/20 sx Class H</p> <p style="position: absolute; top: 340px; left: 290px;">1600' Cmt to Surf.</p> <p style="position: absolute; top: 360px; left: 290px;">8 5/8" 32# J55 STC</p> <p style="position: absolute; top: 435px; left: 35px;">cmt plug</p> <p style="position: absolute; top: 445px; left: 290px;">Cmt plug 5100-4950 Class H</p> <p style="position: absolute; top: 605px; left: 35px;">cmt plug</p> <p style="position: absolute; top: 615px; left: 290px;">Cmt plug 8250-8050 Class H</p> <p style="position: absolute; top: 795px; left: 110px;">TD: 9022'</p>		LOCATION: Sec. 14, T-16-S, R-27-E, Eddy County, New Mexico <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">TD 9022'</td> <td style="width: 25%;">PBD 1536'</td> <td style="width: 25%;">KB 3,570'</td> <td style="width: 25%;">DF 3,569'</td> </tr> <tr> <td>COD</td> <td>DOD</td> <td>GL 3,556'</td> <td></td> </tr> </table>		TD 9022'	PBD 1536'	KB 3,570'	DF 3,569'	COD	DOD	GL 3,556'																													
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By:																																							

**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**

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 575-689-5981.

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. Dry Hole Marker: 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.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds). A weep hole shall be left if a metal plate is welded in place.

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.



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/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 (across the slope 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/Environmental Protection Specialist
575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias
Environmental Protection Specialist
575-234-6230

Crisha Morgan
Environmental Protection Specialist
575-234-5987

Jose Martinez-Colon
Environmental Protection Specialist
575-234-5951

Mark Mattozzi
Environmental Protection Specialist
575-234-5713

Robert Duenas
Environmental Protection Specialist
575-234-2229

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

CURRENT

CURRENT WELLBORE SCHEMATIC		LEASE CV 14 Federal #1	
DATE 8/4/22		OPER: CHI Operating, Inc.	
		API 30-015-27792	
<p>Cmt. to Surf.</p> <p>340'</p> <p>13 3/8" 48# J55 STC</p> <p>Hole Size 12 - 1/4"</p> <p>Tubing Set @1410'</p> <p>TOP Perf 1482'</p> <p>Bottom Perf 1494'</p> <p>PBTD 1536'</p> <p>CIBP w/20 sx Class H</p> <p>1600' Cmt to Surf.</p> <p>8 5/8" 32# J55 STC</p> <p>cmt plug</p> <p>Cmt plug 5100-4950 Class H</p> <p>cmt plug</p> <p>Cmt plug 8250-8050 Class H</p> <p>TD: 9022'</p>		LOCATION: Sec. 14, T-16-S, R-27-E, Eddy County, New Mexico	
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By:			

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 141267

CONDITIONS

Operator: CHI OPERATING INC P.O. Box 1799 Midland, TX 79702	OGRID: 4378
	Action Number: 141267
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
gcordero	None	9/8/2022