

AFMSS

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Sundry Print Report

03/10/2022

| | | |
|--------------------------------|--|--|
| Well Name: GULF FEDERAL | Well Location: T26S / R29E / SEC 23 / SWSW / | County or Parish/State: EDDY / NM |
| Well Number: 1 | Type of Well: OIL WELL | Allottee or Tribe Name: |
| Lease Number: NMNM11038 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 300152479900S1 | Well Status: Producing Oil Well | Operator: STEPHENS & JOHNSON OPERATING COMPANY |

Accepted for record –NMOCD gc10/27/2023



Sundry ID: 2661464

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 03/10/2022

Time Sundry Submitted: 03:32

Date proposed operation will begin: 06/10/2022

Procedure Description: Plugging procedure and changes attached.

Is any additional surface disturbance proposed?: No

Oral Notification Date: Mar 8, 2022

Oral Notification Time: 12:00 AM

Contacted By: William M. Kincaid

Comments: See attached

Procedure Description

Gulf_Federal_1_20220310153053.docx

SEE ATTACHED FOR
CONDITIONS OF APPROVALRECLAMATION PROCEDURE
ATTACHED

| | | |
|---------------------------------------|---|---|
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Specialist Review

Reclamation_Objectives_and_Procedures_20220310153724.doc

COA_Plug___abandon_122010_20220310153637.docx

BLM POC Name: JAMES A AMOS**BLM POC Title:** Acting Assistant Field Manager**BLM POC Phone:** 5752345927**BLM POC Email Address:** jamos@blm.gov**Disposition:** Approved**Disposition Date:** 03/10/2022**Signature:** James A. Amos

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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. **NMNM 11038**

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator **Stephens & Johnson Operating Co.**3a. Address **P.O. Box 2249, Wichita Falls, TX 76307**3b. Phone No. (include area code)
(940) 723-2166

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

8. Well Name and No. **Gulf Federal No. 1**9. API Well No. **30-015-24799**10. Field and Pool or Exploratory Area
Brushy Draw, Delaware4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit M, 330' FSL, 330' FWL, Sec. 23, T26S, R29E11. Country or Parish, State
Eddy County, New Mexico**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.)

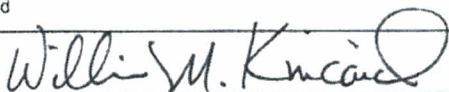
See Attached

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

William M. KincaidTitle **Petroleum Engineer**

Title

Signature



Date

03/08/2022**THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by



Title

SPET

Date

3-10-22

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

CFD

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)

Stephens & Johnson Operating Co.
Gulf Federal Well No. 1
API No. 3001524799
Eddy county, New Mexico

Approval subject to the following changes, COA's:

1. TIH with tubing to CIBP at 4793', and circulate hole with 9.5lb/gal salt gel mud. TOOH with tubing.
2. Spot 25 sx cement on top of CIBP @ 4793'.
3. Perforate 4" liner and 5-1/2" casing at 2970', sqz cement to 2600' (covers Top Delaware and Base Salt). WOC and tag no lower than 2600'.
4. Perforate 4" liner and 5-1/2" casing at 2230', sqz cement to 2100' (covers Top Salt). WOC and tag no lower than 2100'.
5. Perforate 3 sqz holes through 4" liner and 5-1/2" casing @ 550'.
6. Cut off 4" liner at 390'. TOOH with 390' of 4" liner.
7. Circulate 150 sx cement down 5-1/2" casing and 4" liner and out sqz holes at 550' and back up to surface between 5-1/2" casing and 8-5/8" surface casing.
8. Cut off wellhead and install 4' standard P&A marker.

If any questions, contact Jim Amos @ 575-361-2648.

2970

Page 2: Form 3160-5
Stephens & Johnson Operating Co.
Gulf Federal Well No. 1
API No. 30-015-24799
Eddy County, New Mexico

Proposed Plug and Abandonment Procedure

1. TIH with tubing to CIBP at 4793' and circulate hole with 9.5 lb/gal salt gel mud. TOOH with tubing.
2. ^{Spot} ~~Dump~~ 25 sx cement on top of CIBP @ 4793'.
3. Perforate 3 squeeze holes through 4" liner and 5 1/2" casing at 550'.
4. Cut off 4" liner at 390'. TOOH with 390' of 4" liner.
5. Circulate 150 sx cement down 5 1/2" casing and 4" liner and out squeeze holes at 550' and back up to surface between 5 1/2" casing and 8 5/8" surface casing.
6. Cut off wellhead and install P&A marker (Standard 4' marker)

→ Add: Perf 4" and 5 1/2" Casing @ 2970', Sgz
cmt to 2600' (Covers Top Delaware and Base
of Salt). WOC Tag No lower than 2600'.

Perf 4" and 5 1/2" Casing @ 2230', Sgz
cmt to 2100' (Covers Top of Salt) WOC Tag
No lower than 2100'.

WELL COMPLETION SKETCHES
SJ-0190Gulf Federal No. 1 Brushy Draw Field 3-7-2022
WELL FIELD DATE
— Current Wellbore Status —Medium
Cave/KarstKB ELEVATION 2902'

DF ELEVATION _____

GL ELEVATION 2894

PERMANENT WELL BORE DATA

DATA ON THIS COMPLETION

11" hole

Surface Casing:

8 5/8" 24 # csg @ 499'
Cmt w/ 300 SX, TOC Surface
12 1/4" hole4" J-55, 9.5 lb/ft csg
set @ 4845', Cmt with
250 SX class 'C'. Cmt did
not circulate to surface
11/5/20204" liner full of
14 # mud.7 7/8" holePartially drilled CIBP
@ 4880'Production Casing:
5 1/2" K-55 15.5 # set
at 5125', Cmt w/ 350 SX
TOC @ 3740' CBL
7 7/8" holeTOC between 4" liner
and 5 1/2" csg @ 392'

Csg leak 2894'-2927'

8/24/2011:
Csg leak 3625'-3650' Cmt
squeeze 100 SX out csg
Pak - reached squeeze
pressure of 3000 psig

TOC @ 3740'

4" CIBP set @ 4793'

Perfs: 4968'-5053' ✓

PBTD - 5084TD - 5125' ✓

WELL COMPLETION SKETCHES
SJ-0190

Gulf Federal No. 1

Brushy Draw Field

3-7-2022

WELL

FIELD

DATE

— Proposed Plug and Abandonment —

KB ELEVATION 2902'

DF ELEVATION _____

GL ELEVATION 2894

PERMANENT WELL BORE DATA

DATA ON THIS COMPLETION

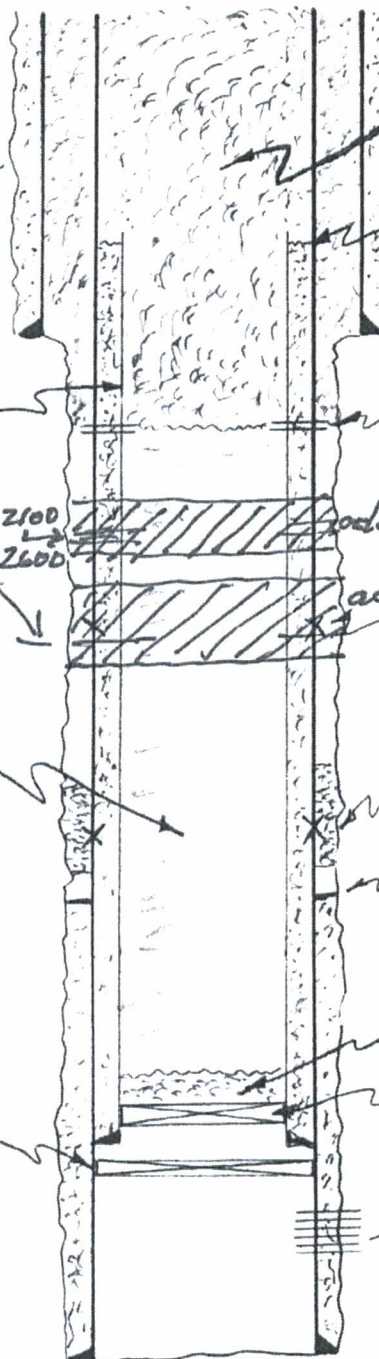
Surface casing:
 5 5/8" 24# set @ 499'
 cmt w/ 300 SX, TOC surface
 1244' hole

4" J-55, 9.5 lb/gal CSG
 set @ 4845' cmt with
 250 SX class 'C'. cmt did
 not circulate to surface
 11/5/2020

4" liner full of
 9.5 lb/gal salt gel mud

Partially drilled CIBP
 @ 4880'

Production casing:
 5 1/2" K-55 15.5# set
 at 5125' cmt w/ 350 SX
 TOC @ 3740' CBL
 7 1/8" hole



150 SX cmt circulated
 down 5 1/2" and put squeeze
 holes @ 550 and back to
 surface.

TOC between 4" liner
 and 5 1/2" CSG @ 392'

4 squeeze holes of 550'
 through 4" liner and
 5 1/2" casing

add CSG leak 2894'-2927'

8/24/2011:
 CSG leak 2625'-3690' cmt
 squeeze - 100 SX out CSG
 leak - reached squeeze
 pressure of 2000 psig

TOC @ 3740'

25 SX cmt on top of
 CIBP @ 4793'

4" CIBP set @ 4793'

Perfs: 4968-5053

PBTD - 5084TD - 5125'

**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 575-393-3612.

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. 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).

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 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

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 279858

CONDITIONS

| | |
|---|---|
| Operator: STEPHENS & JOHNSON OP CO P.O. Box 2249 Wichita Falls, TX 76307 | OGRID: 19958 |
| | Action Number: 279858 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| gcordero | None | 10/27/2023 |