

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

Well Name: GB JACKSON TR6	Well Location: T17S / R30E / SEC 27 / TR 6 / NWNE / 32.8109733 / - 103.9575118	County or Parish/State: EDDY / NM
Well Number: 3	Type of Well: INJECTION - ENHANCED RECOVERY	Allottee or Tribe Name:
Lease Number: NMLC028992B	Unit or CA Name: GRAYBURG JACKSON	Unit or CA Number: NMNM70955X
US Well Number: 3001504356	Operator: SAGUARO PETROLEUM LLC	

Notice of Intent

Sundry ID: 2787805

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 05/01/2024

Time Sundry Submitted: 09:23

Date proposed operation will begin: 05/01/2024

Procedure Description: Saguaro Petroleum respectfully requests a 90 day extension to the P&A of the Grayburg Jackson 003H. Please see attached wellbore and email with Long Vo.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

GJU_003_P_A_Sundry_Extension_Request_Attachments_20240501092127.pdf

Well Name: GB JACKSON TR6

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County or Parish/State: EDDY / NM

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Unit or CA Name: GRAYBURG JACKSON

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US Well Number: 3001504356

Operator: SAGUARO PETROLEUM LLC

Conditions of Approval

Specialist Review

GB_Jackson_TR6_3_Sundry_ID_2787805_P_A_Extension_20240508134826.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: BRIAN WOOD

Signed on: MAY 01, 2024 09:14 AM

Name: SAGUARO PETROLEUM LLC

Title: Permitting Agent

Street Address: 37 VERANO LOOP

City: SANTA FE

State: NM

Phone: (505) 466-8120

Email address: AFMSS@PERMITSWEST.COM

Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: LONG VO

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5759885402

BLM POC Email Address: LVO@BLM.GOV

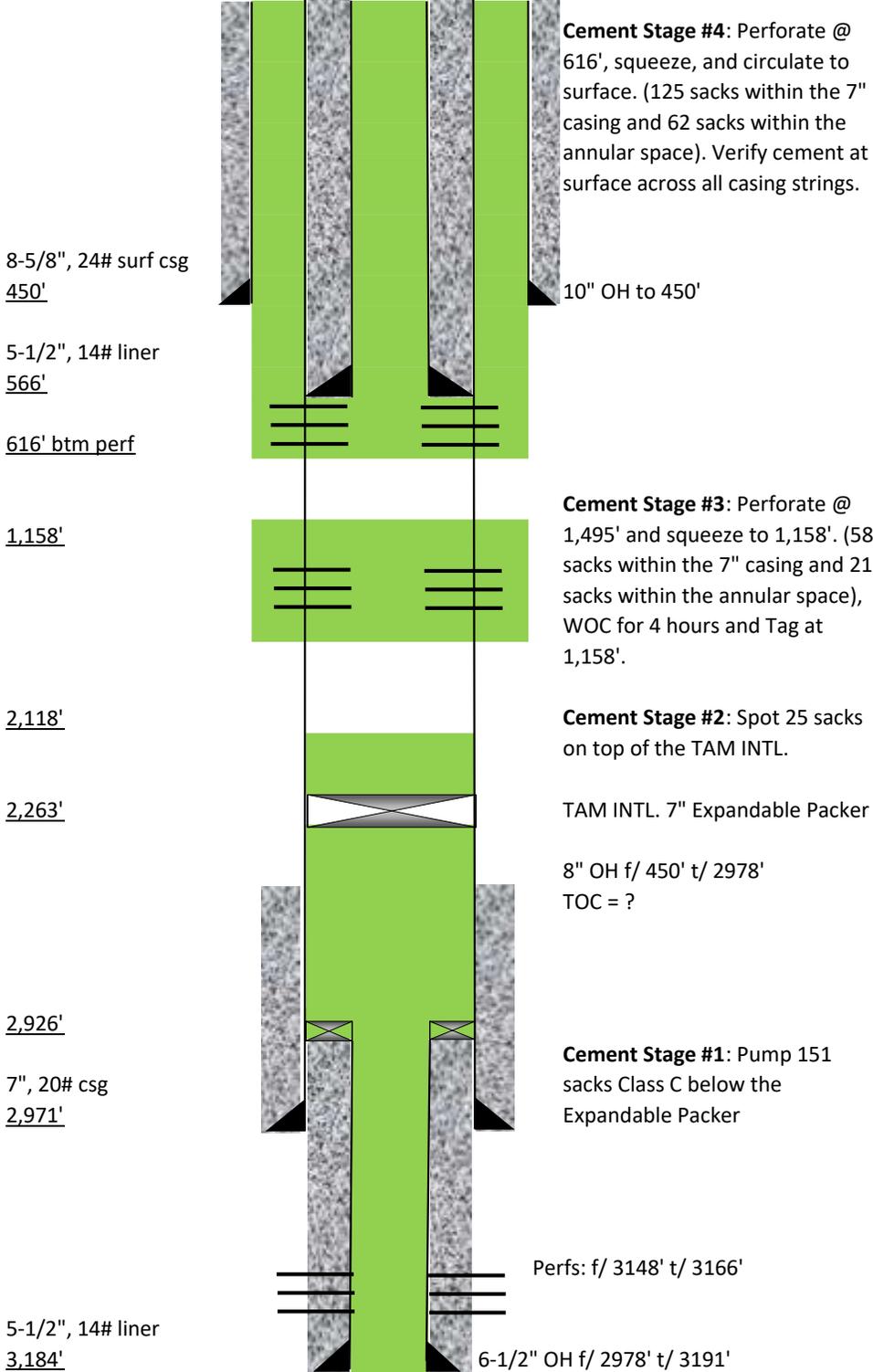
Disposition: Approved

Disposition Date: 05/08/2024

Signature: Long Vo

Operator: Saguro Petroleum, LLC
 GRAYBURG JACKSON UNIT #003A
 Lease Type: F Lease Number: NMLC028992B
 ULSTR: B-27-17S-30E 660' FNL, 1980' FEL
 OCD Unit: B Unit Number: NMNM70955X
 US Well Number (API): 30-015-04356
 Wsell Type: I
 Pool ID: 28509

Pool Name: Grayburg Jackson; SR-Q-G-SA



From: [Vo, Long T](#)
To: [Zayman Villegas](#)
Cc: [Mark Hope](#); [Randy Poston](#); [Toben Scott](#); [Zach Stripay](#); [Sam Primera](#); [Beneway, Gabriel R](#); [Walls, Christopher](#)
Subject: Re: [EXTERNAL] Grayburg Jackson Unit #003A - P&A Exception Request
Date: Thursday, April 25, 2024 11:48:35 AM
Attachments: [Combined COA \(General Plug & Abandonment and Reclamation\).pdf](#)

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Mr. Villegas,

After reviewing the updated procedure, I do agree that further milling is unnecessary. However, the amount of cement and placement of the cement plugs will need to be adjusted to meet BLM requirements.

1. Please pump at least 151 sacks class C below the CICR at 2263' and spot 25 sacks on top of the CICR instead of 15 sacks. Please WOC for 4 hours and Tag @ 2118'.
2. The next plug shall be perforated at 1495' and squeeze to 1158'. (58 sacks within the 7" casing and 21 sacks within the annular space), WOC for 4 hours and Tag at 1158'. (Yates @ 1445', Tansill/Base of Salt @ 1300')
3. The surface plug shall be perforated at 616', squeeze, and circulated to surface. (125 sacks within the 7" casing and 62 sacks within the annular space). Verify cement at surface across all casing strings. (Top of Salt @ 480', Liner Shoe @ 566', Surface casing shoe @ 450').

For an additional 90 days extension, please submit an NOI P&A requesting the 90 days extension and attach this email for reference.

Regards,

Long Vo, EIT, M.Sc. (Smart Oilfield Technologies)

Petroleum Engineer SME
Carlsbad Field Office
Land and Minerals
Bureau of Land Management
Department of Interior
575-988-5402 Cell

From: Zayman Villegas <Zayman@saguaropetroleum.com>
Sent: Wednesday, April 24, 2024 10:12 PM
To: Walls, Christopher <cwalls@blm.gov>; Vo, Long T <lvo@blm.gov>
Cc: Mark Hope <hope_mark53@yahoo.com>; Randy Poston <randyp@returndisposal.com>; Toben Scott <Toben@returndisposal.com>; Zach Stripay <Zach@saguaropetroleum.com>; Sam Primera

<Sam@saguaropetroleum.com>

Subject: [EXTERNAL] Grayburg Jackson Unit #003A - P&A Exception Request

This email has been received from outside of DOI - Use caution before clicking on links, opening attachments, or responding.

Chris,

I trust this message finds you well. I would like to extend my gratitude for accommodating Mark and me on such short notice during our meeting today.

Long,

During our discussion this afternoon, we addressed the challenges encountered at the subject well, outlined the proactive measures implemented since April 3rd, and underscored the current status of the operation, which has reached an impasse.

Following the receipt of the attached P&A approval, we had a well on an adjacent lease go down for a HIT. Subsequently, a Well Work Sundry was approved for the subject well. We opted to rig up on the well after securing the pulling unit, intending to address the HIT issue that led to a failing bradenhead test in late 2023. However, our focus shifted from remediation to preparing the wellbore for successful plugging and abandonment after encountering challenges during fishing operations. Despite the collective expertise of our team, comprising individuals with extensive experience in oilfield operations, progress has ceased.

At Chris's request, I attached a detailed workover report outlining our efforts following today's final attempts. Regrettably, our endeavors earlier today were unsuccessful in recovering the fish at 2,273 feet. Subsequent attempts utilizing a magnet conveyed downhole via sandline also proved futile.

Throughout the afternoon, we utilized a high-quality piranha mill, achieving minimal progress of only 10 feet in five hours before the mill became completely worn out, leaving us with the fish still at 2,283 feet. Notably, we are 50 feet short of retrieved tubing on surface, indicating the presence of tubular remnants adjacent to the fish.

Despite exhaustive research, including consultation with external sources such as Kevin Jones, President of Asher, we have been unable to definitively ascertain the exact location of the packer. However, based on available information, we presume the packer to be set within 50 feet of the top perforation (3,098 feet). Considering the current milling rate, it is evident that achieving the presumed packer depth would necessitate an extensive timeframe, far exceeding our original estimates. Considering a 3-hour roundtrip for a 'bit trip' every 10 feet of progress, and assuming a 10-hour workday, the projected timeline for additional workover days increases significantly, even under ideal conditions with no downtime or failures. Based on today's milling rate, I estimate requiring 25 days for tripping due to worn mill bits and 41 days for milling activities alone, totaling 66 additional working days. This is in addition to the 16 working days already expended, solely to initiate the process of cutting over the packer for the CIBP placement at the approved depth of

3,098 feet. It is evident that we have exhausted conventional options and are compelled to request an exception to the initially approved P&A procedure.

In light of these challenges, Saguaro Petroleum respectfully requests an exemption from the initially approved P&A procedure, proposing an alternative approach as follows:

1. MIRU plugging rig.
2. ND WH & NU BOP.
3. Spot all cementing and vacuum trucks.
4. RIH w/ expandable CICR on rental 2-3/8" workstring.
 - a. *expandable will allow us to RIH thru 5-1/2" and seal in 7".
5. Set CICR @ 2,263ft, 20ft above TOF.
6. Establish a minimum of 1 BPM injection rate into existing perms f/ 3,148ft t/ 3,166'.
 - a. **by the way, we were successful in establishing minimum injection rate already.
7. Pump calc'd 35 sks (46.2 cuft) below CICR and leave TOC @ 2,876ft w/ 10% excess pumped into perms.
8. Sting out of CICR and spot 15 sks (19.8 cuft) on top of CICR, leaving 57ft of cmt on top of CICR.
9. POOH w/ 2-3/8" workstring.
10. RIH w/ (10) jts tailpipe below 5-1/2" arrowset packer and RIH t/ 770ft.
11. Set packer and RU wireline.
12. RIH w/ perf gun & perf @ 1,270ft and establish minimum 1 BPM injection rate.
13. Pump 30 sks (39.6 cu ft) of cmt, displace to 1,170ft.
14. WOC.
15. Tag @ TOC 1,170ft.
16. Unset packer and POOH laying down.
17. RBIH & set packer at 32ft.
18. RU wireline, RIH w/ perf gun & perf @ 570ft.
19. Establish minimum 1 BPM injection rate and pump 100 sks (132 cuft) of cement, circulating cement to surface.
20. Unset packer, circulate cement to fill casing, LD (1) jt of tbg & packer and top of well with cmt.
21. RDMO.

This proposed approach aligns with the objectives of the original plugging procedure and addresses the current challenges effectively. It was unanimously agreed by Chris, Mark, and myself during our meeting today that the presence of pipe remnants adjacent to the original fish could potentially exacerbate the situation, necessitating a departure from the conventional procedure.

I wish to emphasize that my actions were not intended to circumvent your involvement in the process. After virtually no progress on this well yesterday, very late last night I drove from Mitchell County, TX to Midland, TX to get halfway closer to Hobbs, NM today. After meeting with the Gilbert Cordero at the NMOCD he recommended I call Jim Amos at the BLM. Jim Amos told me that you were working remote and I needed to call Chris Walls. All that to say, my intent was to meet with someone in person to explain the circumstances and Chris made it clear that you, as the original approver, needed to be involved and give this exception your blessing.

Following receipt of an amendment to the existing Sundry, I acknowledge the requirement to obtain approval from NMOCD. I have initiated discussions with cementing contractors to determine timelines in which they are able to rig up. Upon securing approvals from both BLM and NMOCD, Saguaro Petroleum requests a 90-day extension to engage a reputable plugging contractor certified by BLM and NMOCD.

Your cooperation and consideration of the proposed alternative approach are greatly appreciated. I have also attached the originally approved documents for your reference.

Please feel free to reach out should you have any questions or require further clarification.

Thank you for your attention to this matter.

Respectfully,
Zayman Villegas
Engineering & Business Manager
Saguaro Petroleum
(m) 432-528-5289

Grayburg Jackson Unit 003A
30-015-04356
B-27-17s-30e
Eddy County NM

"AS IS"

Elevation: 3622'
Datum: GL (3622')

8-5/8", 24# surf csg
450'

5-1/2", 14# liner
566'

10" OH to 450'

8" OH f/ 450' t/ 2978'

TOC = ?

2926'

7", 20# csg
2971'

Fill @ 3014'

Perfs: f/ 3148' t/ 3166'

5-1/2", 14# liner
3184'

6-1/2" OH f/ 2978' t/ 3191'
TD

3191'

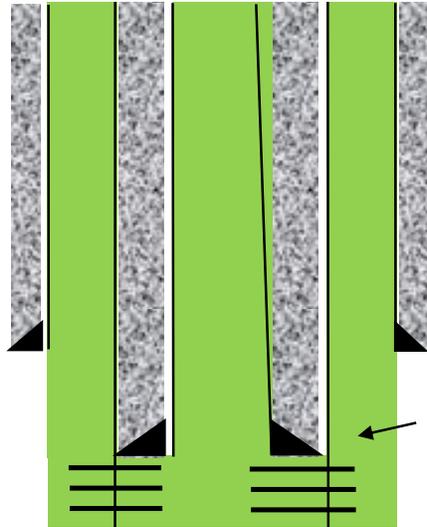
Grayburg Jackson Unit 003A
30-015-04356
B-27-17s-30e
Eddy County, NM

PROPOSED

8-5/8", 24# surf csg
450'

5-1/2", 14# liner
566'

570' btm perf



Top of Salt: 440'

10" OH to 450'

Plug 3:
 $450' \times 0.0903 \text{ ft}^3/\text{ft} + 120' \times 0.0818 \text{ ft}^3/\text{ft} + 4' \times 0.2273 \text{ ft}^3/\text{ft} + 566' \times 0.1370 \text{ ft}^3/\text{ft} = 129 \text{ ft}^3$

8" OH f/ 450' t/ 2978'

Plug 2: Perf. & squeeze 100' w/ 10% excess (1270'-1170')
 $100' \times 0.0818 \text{ ft}^3/\text{ft} \times 1.1 = 9 \text{ ft}^3$
Base of Salt: 1220'

TOC = ?

2926'

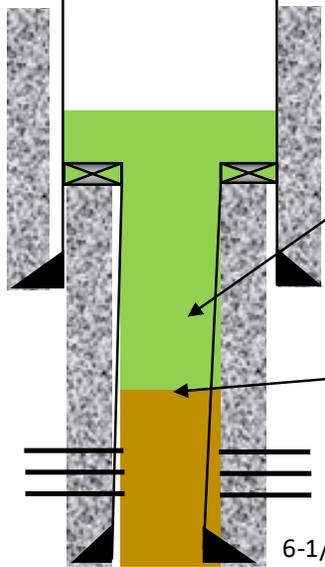
7", 20# csg
2971'

Plug 1: 138' (3014'-2876') w/ 30% excess:
 $(88' \times 0.1370 \text{ ft}^3/\text{ft}) + (50' \times 0.2273 \text{ ft}^3/\text{ft}) \times 1.3 = 31 \text{ ft}^3$

Set CIBP 50' - 100' above perfs
Fill @ 3014'

Perfs: f/ 3148' t/ 3166'

5-1/2", 14# liner
3184'



6-1/2" OH f/ 2978' t/ 3191'

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 344103

CONDITIONS

Operator: Saguaro Petroleum, LLC 15 Smith Rd Midland, TX 79705	OGRID: 373933
	Action Number: 344103
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
gcordero	None	5/24/2024