.

| BURJ SUNDRY N Do not use this fo | | INTERIOR AGEMENT | 5 Lanca Serial No. | FORM APPROVED DMB No. 1004-0137 Expires: July 31, 2010 NMNM0142233 or Tribe Name |
|---|---|--|--|--|
| | IN TRIPLICATE – Other | | 7. If Unit of CA/Agr | eement, Name and/or No. |
| 1. Type of Well | IN TRIPLICATE - Outer | | _ | |
| Oil Well Gas W | Vell Other | | 8. Well Name and No | ^{o.} Cato San Andres Unit 38 |
| 2. Name of Operator BLM | | | 9. API Well No. | 30-005-20099 |
| 3a. Address | | 3b. Phone No. (include area code) | 10. Field and Pool or | Exploratory Area |
| 2909 West 2nd Street Roswe | ell, NM 88201 | 575-627-0272 | | San Andres |
| 4. Location of Well (Footage, Sec., T., | R., M., or Survey Description |)) | 11. Country or Parish | n, State |
| 1980' FNL & 1980' FEL TO | 08S R30E Section 8 | | | Chaves |
| 12. CHEC | K THE APPROPRIATE BO | DX(ES) TO INDICATE NATURE OF NO | TICE, REPORT OR OTI | HER DATA |
| TYPE OF SUBMISSION | | TYPE OF A | CTION | |
| Notice of Intent | Acidize | | oduction (Start/Resume) | Water Shut-Off |
| | Alter Casing | | clamation | |
| Subsequent Report | Casing Repair | | complete | Other |
| | Change Plans | | mporarily Abandon | |
| Final Abandonment Notice | Convert to Injection | | ater Disposal | |
| the proposal is to deepen directiona Attach the Bond under which the w following completion of the involv | ally or recomplete horizontal work will be performed or pro- red operations. If the operation Abandonment Notices must | rtinent details, including estimated starting lly, give subsurface locations and measured ovide the Bond No. on file with BLM/BIA ion results in a multiple completion or reco be filed only after all requirements, includi | and true vertical depths Required subsequent re appletion in a new interva | of all pertinent markers and zones. eports must be filed within 30 days al, a Form 3160-4 must be filed once |

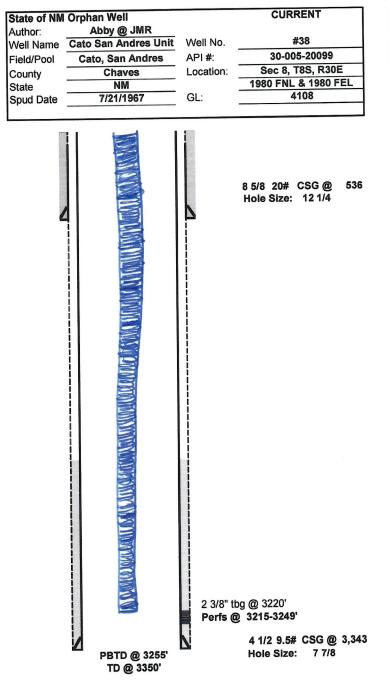
See attached procedure

| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) | | |
|--|--------------------------|--|
| | Title | |
| | | |
| Signature | Date | |
| JENNIFER Digitally signed THIS SPACE FOR FEDE | RAL OR STATE OFFICE USE | |
| Approved by Date: 2024.10.10 SANCHEZ Date: 2024.10.10 13:28:08 -06'00' | Title Petroleum Engineer | 10/10/2024 Date |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or contact that the applicant holds legal or equitable title to those rights in the subject lease which we entitle the applicant to conduct operations thereon. | uld Office RFO | |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any perficitious or fraudulent statements or representations as to any matter within its jurisdiction | | nent or agency of the United States any false, |

Cato San Andres Unit 38 BLM October 10, 2024 Conditions of Approval

- 1. Operator shall place CIBP at 3,115 ' (50'-100' above top most perf) and place a minimum of 25 sx of Class C cement on top. <u>WOC and TAG.</u>
- 2. Operator shall place a balanced Class C plug from 2,311' to 2,186' to seal the Grayburg.
- 3. Operator shall perf at 2,063' and squeeze Class C cement to 1,943' seal the Queen Formation. <u>WOC and TAG.</u>
- 4. Operator shall perf at 1,352'and squeeze Class C cement to 1,000' seal the Yates and bottom of the Salt Formation. <u>WOC and TAG.</u>
- 5. Operator shall perf at 586' and squeeze class c cement to surface to seal the 8-5/8'' casing shoe.
- 6. Dry hole marker must be below ground.
- 7. Surface reclamation will need to be completed once the well bore has been plugged. Please contact <u>rflores@blm.gov</u> for additional information.
- 8. See Attached for general plugging stipulations.

JAM 10102024



| Description | 0.D. | Grade | Weight | Depth | Hole | Cmt Sx | TOC |
|-------------|-------|-------|--------|-------|--------|--------|-----|
| Surface Csg | | | 20# | | 12 1/4 | 300 | 0 |
| Prod Csg | 4 1/2 | | 9.5# | 3,343 | 7 7/8 | 300 | |

| 979 |
|------|
| 010 |
| 1302 |
| 2397 |
| |

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| | | | | | 0.0 | | Weight | Donth | Hole | Cmt Sx | TOC |
|-------------|--|----------|----------------------------------|----------------------|----------|----------|-----------|---------|---------|-------------|--------|
| State of NM | Orphan Well | | PROPOSED | Description | 0.D. | Grade | vveignu | | | | |
| Author: | Abby @ JMR | | | Surface Csg | 8 5/8 | | 20# | 536 | 12 1/4 | 300 | 0 |
| Well Name | Cato San Andres Unit | Well No. | | | | | | | | | |
| Field/Pool | Cato, San Andres | API #: | 30-005-20099 | Prod Csg | 4 1/2 | | 9.5# | 3,343 | 7 7/8 | 300 | |
| County | Chaves | Location | | | | | | | | | |
| State | NM | | 1980 FNL & 1980 FEL | 4 | | | | | | | |
| Spud Date | 7/21/1967 | GL: | 4108 | 4 | | | | | | Formation | Тор |
| | | | | | | | | | | Anhy | 979 |
| | | | | | | | | | | B/Salt | 1050 |
| | | | | | | | | | | Yates | 1302 |
| | | | | | | | | | | Queen | 2013 |
| | | | | | | | | | | San Andres | s 2397 |
| | | | 8 5/8 20# CSG @ 53 | 6 | | | | | | | |
| | | | Hole Size: 12 1/4 | | | | | | | | |
| | | N | | | | | | | | | |
| f | A DESCRIPTION OF THE OWNER OWNER OF THE OWNER | Plug | #5 Perf & Sqz 279 sx clas | s C cmt @ 586' & | circulat | e to su | rface. (8 | 5/8" SI | noe) | | |
| L | 1 | | (228 sx outside, 51 sx | inside) | | | | | | | |
| | | | (| | | | | | | | |
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| | | | | | | | | | | | |
| | | | | 0 1 100/ 04 | | 1 252 1 | 000' W | 00 8 - | Tag (Va | ates & B/Sa | ult) |
| | TOTAL PROPERTY AND ADDRESS | Plug | #4 Perf & Sqz 154 sx clas | s C cmt w/ 2% CA | CL @ | 1,352-1 | ,000. ** | 000 | iag (it | | , |
| | And the Different Constant | | (122 sx outside, 32 sx | inside) | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | Li | #3 Perf & Sqz 56 sx class | C cmt w/ 2% CAC | 1 @ 2 | 063-19 | 43'. WO | C & Ta | g (Que | en) | |
| | | Plug | #3 Perr & Sqz 50 SX class | | | | | | | | |
| | | | (42 sx outside, 14 sx ii | nside) | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | Dive | #2 Spot 14 sx class C cm | t @ 2 311-2 186' | (Gravb | ura) | | | | | |
| | | Plug | #2 Spot 14 SX class C ch | 1 @ 2,011 2,100 | (0,0) | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | Diur | ; #1 Set 4 1/2" CIBP @ 3, | 115'. Spot 25 sx cla | ass C d | cmt w/ 2 | 2% CACL | _ @ 3,1 | 115-2,8 | 50'. WOC | s lag |
| | | - Thuy | | | | | | | | | |
| | | Porf | s @ 3215-3249' | | | | | | | | |
| | | | | | | | | | | | |
| | | N | 4 1/2 9.5# CSG @ 3,3 | 43 | | | | | | | |
| | PBTD @ 3255' | | Hole Size: 7 7/8 | | | | | | | | |
| | TD @ 3350' | | | | | | | | | | |
| | • | | | | | | | | | | |
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BUREAU OF LAND MANAGEMENT Roswell Field Office 2909 W. Second Street Roswell, New Mexico 88201 575-627-0272

General Requirements for Plug Backs

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 <u>ninety (90)</u> days from this approval.

If you are unable to plug back 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 back. Failure to do so will result in enforcement action.

2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. Call 575-627-0205.

3. <u>Blowout Preventers</u>: 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. <u>Mud Requirement:</u> 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. <u>Cement Requirement</u>: 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. Before pumping 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. <u>Subsequent Plug back Reporting</u>: Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back 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. <u>Show date work was completed.</u>

7. <u>Trash</u>: 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.

State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Dylan M. Fuge Deputy Secretary Dylan M. Fuge, Division Director (Acting) Oil Conservation Division



NOTICE NEW MEXICO PLUG AND ABANDON CONDITIONS OF APPROVAL

Effective January 1, 2024

The New Mexico Oil Conservation Division ("OCD") is announcing the release of its updated Plugging and Abandoning Conditions of Approval ("COA"). These COAs will bring consistency throughout the state and formalize existing practice in the field that are already being required by OCD and performed by Operators. OCD staff reviewing plans are directed to implement these COA's are throughout the entire State of New Mexico, except when circumstances warrant modifications or additional requirements as dictated by specific plugging project conditions, which determines are left solely to OCD.

For the most part, these updates simply consolidate current practice to ensure it applied uniformly state-wide. The most significant changes from existing practice are as follows:

- Logs.
 - A Cement Bond Log is required to ensure isolation of producing formations, protection of water and correlative rights. A CBL must be run or be on file that can properly evaluate the cement behind the casing.

Note: Logs must be submitted to OCD via OCD permitting. A copy of the log may be emailed to the Compliance Officer Supervisor for faster review times, but email transmittal does not relieve the requirement for an operator to file through OCD permitting.

- Cement:
 - A table has been included which indicates the Class of cement and its allowed lower limits. This table is intended to align OCD requirements with applicable API standards and the Haliburton Redbook.
 - We are also standardizing practices with respect to cement waiting times:
 - 4 hours for accelerated (calcium chloride) cement.
 - 6 hours on regular cement.
- Formations:

1220 South St. Francis Drive - Santa Fe, New Mexico 87505 Phone (505) 476-3460 - Fax (505) 476-3462 - www.emnrd.nm.gov • The COAs now include appendices for geological formation tops that shall be plugged.

The updated plugging COAs are attached to this notice. These COAs are effective for plugging operations for any NOI C-103F submitted on or after January 1, 2024, unless OCD determines that a modification or additional COAs are necessary based on specific plugging project conditions.

1220 South St. Francis Drive • Santa Fe, New Mexico 87505 Phone (505) 476-3460 • Fax (505) 476-3462 • <u>www.emnrd.nm.gov</u>

State of New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division Standard Plugging Conditions



This document provides OCD's general plugging conditions of approval. It should be noted that the list below may not cover special plugging programs in unique and unusual cases, and OCD expressly reserves the right to impose additional requirements to the extent dictated by project conditions. The OCD also reserves the right to approve deviations from the below conditions if field conditions warrant a change. A C-103F NOI to P&A must be approved prior to plugging operations. Failure to comply with the conditions attached to a plugging approval may result in a violation of 19.15.5.11 NMAC, which may result in enforcement actions, including but not limited to penalties and a requirement that the well be re-plugged as necessary.

- 1. Notify OCD office at least 24 hours before beginning work and seek prior approval to implementing any changes to the C-103 NOI to PA.
 - North Contact, Monica Kuehling, 505-320-0243, monica.kuehling@emnrd.nm.gov
 - South Contact, Gilbert Cordero, 575-626-0830, gilbert.cordero@emnrd.nm.gov
- 2. A Cement Bond Log is required to ensure strata isolation of producing formations, protection of water and correlative rights. A CBL must be run or be on file that can be used to properly evaluate the cement behind the casing.

Note: Logs must be submitted to OCD via OCD permitting. A copy of the log may be emailed to OCD inspector for faster review times, but emailing does not relieve the operators obligation to submit through OCD permitting.

- 3. Once Plugging operations have commenced, the rig must not rig down until the well is fully plugged without OCD approval. If gap in plugging operations exceeds 30 days, the Operator must file a subsequent sundry of work performed and revised NOI for approval on work remaining. At no time shall the rig be removed from location if it will result in waste or contamination of fresh water.
- 4. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.
- 5. Fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
 - North, water or mud laden fluids
 - South, mud laden fluids
- 6. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to an OCD permitted disposal facility.
- 7. Class of cement shall be used in accordance with the below table for depth allowed.

| Class | TVD Lower Limit (feet) |
|----------------|------------------------|
| Class A/B | 6,000 |
| Class I/II | 6,000 |
| Class C or III | 6,000 |
| Class G and H | 8,000 |
| Class D | 10,000 |

| Class E | 14,000 |
|---------|--------|
| Class F | 16,000 |

- 8. After cutting the well head any "top off cement jobs" must remain static for 30 minutes. Any gas bubbles or flow during this 30 minutes shall be reported to the OCD for approval of next steps.
- 9. Trucking companies being used to haul oilfield waste fluids (Commercial or Private) to a disposal facility shall have an approved OCD C-133 permit.
 - A copy of this permit shall be available in each truck used to haul waste products.
 - It is the responsibility of the Operator and Contractor to verify that this permit is in place prior to performing work.
 - Drivers shall be able to produce a copy upon request of an OCD Compliance Officer.
- 10. Filing a [C-103] Sub. Plugging (C-103P) will serve as notification that the well has been plugged.
- 11. A [C-103] Sub. Release After P&A (C-103Q) shall be filed no later than a year after plugging and a site inspection by OCD Compliance officer to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to meet OCD standards before bonding can be released.
- 12. Produced water or brine-based fluids may not be used during any part of plugging operations without prior OCD approval.
- 13. Cementing;
 - All cement plugs will be neat cement and a minimum of 100' in length. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
 - If cement does not exist between or behind the casing strings at recommended formation depths, the casing perforations will be shot at 50' below the formation top and the cement retainer shall be set no more than 50' from the perforations.
 - WOC (Wait on Cement) time will be:
 - 4 hours for accelerated (calcium chloride) cement.
 - 6 hours on regular cement.
 - Operator must tag all cement plugs unless it meets the below condition.
 - The operator has a passing pressure test for the casing annulus and the plug is only an inside plug.
 - If perforations are made operator must tag all plugs using the work string to tag unless given approval to tag with wireline by the correct contact from COA #1 of this document.
 - This includes plugs pumped underneath a cement retainer to ensure retainer seats properly after cement is pumped.
 - Cement can only be bull-headed with specific prior approval.
 - Squeeze pressures are not to exceed the exposed formations frac gradient or the burst pressure of the casing.
- 14. A cement plug is required to be set from 50' below to 50' above (straddling) formation tops, casing shoes, casing stubs, any attempted casing cut offs, anywhere the casing is perforated, DV tools.
 - Perforation/Formation top plug. (When there is less than 100ft between the top perforation to the formation top.) These plugs are required to be started no greater than

50ft from the top perforation. However, the plug should be set below the formation top or as close to the formation top as possible for the maximum isolation between the formations. The plug is required to be a 100ft cement plug plus excess.

- Perforation Plug when a formation top is not included. These plugs are required to be started within 50ft of the top perforation. The plug is required to be a 100ft cement plug plus excess.
- Cement caps on top of bridge plugs or cement retainers for perforation plugs, that are not straddling a formation top, may be set using a bailer with a minimum of 35' of cement in lieu of the 100' plug. The bridge plug or retainer must be set within 50ft of the perforations.
- Perforations are required below the surface casing shoe if cement does not exist behind the casing, a 30-minute minimum wait time will be required immediately after perforating 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. If gas is detected contact the OCD office for directions.
- 15. No more than 3000 feet is allowed between cement plugs in cased hole and no more than 2000 feet is allowed in open hole.
- 16. Formation Tops to be isolated with cement plugs, but not limited to are:
 - Northwest See Figure A
 - South (Artesia) See Figure B
 - Potash See Figure C
 - In the R-111-P (Or as subsequently revised) Area a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, woe 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.
 - South (Hobbs) See Figure D1 and D2
 - Areas not provided above will need to be reviewed with the OCD on a case by case basis.
- 17. Markers
 - Dry hole marker requirements 19.15.25.10.

The operator shall mark the exact location of plugged and abandoned wells with a steel marker not less than four inches in diameter set in cement and extending at least four feet above mean ground level. The marker must include the below information:

- 1. Operator name
- 2. Lease name and well number
- 3. API number
- 4. Unit letter
- 5. Section, Township and Range
- AGRICULTURE (Below grade markers)

In Agricultural areas a request can be made for a below ground marker. For a below ground marker the operator must file their request on a C-103 notice of intent, and it must include the following;

- A) Aerial photo showing the agricultural area
- B) Request from the landowner for the below ground marker.

C) Subsequent plugging report for a well using a below ground marker must have an updated C-102 signed by a certified surveyor for SHL.

Note: A below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to OCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to OCD. OCD requires a current survey to verify the location of the below ground marker, however OCD will accept a GPS coordinate that were taken with a GPS that has an accuracy of within 15 feet.

18. If work has not commenced within 1 year of the approval of this procedure, the approval is automatically expired. After 1 year a new [C-103] NOI Plugging (C-103F) must be submitted and approved prior to work.

Figure A

North Formations to be isolated with cement plugs are:

- San Jose
- Nacimiento
- Ojo Alamo
- Kirtland
- Fruitland
- Picture Cliffs
- Chacra (if below the Chacra Line)
- Mesa Verde Group
- Mancos
- Gallup
- Basin Dakota (plugged at the top of the Graneros)
- Deeper formations will be reviewed on a case-by-case basis

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Figure **B**

South (Artesia) Formations to be isolated with cement plugs are:

- Fusselman
- Montoya
- Devonian
- Morrow
- Strawn
- Atoka
- Permo-Penn
- Wolfcamp
- Bone Springs
- Delaware , in certain areas where the Delaware is subdivided into;
 - 1. Bell Canyon
 - 2. Cherry Canyon
 - 3. Brushy Canyon
- Any salt sections
- Abo
- Yeso
- Glorieta
- San Andres
- Greyburg
- Queen
- Yates

Figure C

Potash Area R-111-P

T 18S – R 30E Sec 10 Unit P. Sec 11 Unit M,N. Sec 13 Unit L,M,N. Sec 14 Unit C -P. Sec 15 Unit A G,H,I,J,K,N,O,P. Sec 22 Unit All except for M. Sec 23, Sec 24 Unit C,D,E,L, Sec 26 Unit A-G, Sec 27 Unit A,B,C T 19S – R 29E Sec 11 Unit P. Sec 12 Unit H-P. Sec 13. Sec 14 Unit A,B,F-P. Sec 15 Unit P. Sec 22 Unit A,B,C,F,G,H,I,J K,N,O,P. Sec 23. Sec 24. Sec 25 Unit D. Sec 26 Unit A- F. Sec 27 Unit A,B,C,F,G,H. T 19S – R 30E Sec 2 Unit K,L,M,N. Sec 3 Unit I,L,M,N,O,P. Sec 4 Unit C,D,E,F,G,I-P. Sec 5 Unit A,B,C,E-P. Sec 6 Unit I,O,P. Sec 7 – Sec 10. Sec 11 Unit D, G—P. Sec 12 Unit A,B,E-P. Sec 13 Unit A-O. Sec 14-Sec 18. Sec 19 Unit A-L, P. Sec 20 -Sec 23. Sec 24 Unit C,D,E,F,L,M,N. Sec 25 Unit D. Sec 26 Unit A-G, I-P. Sec 27, Sec 28, Sec 29 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 32 Unit A,B,G,H,I,J,N,O,P. Sec 33. Sec 34. Sec 35. Sec 36 Unit D,E,F,I-P. T 19S – R 31E Sec 7 Unit C,D,E,F,L. Sec 18 Unit C,D,E,F,G,K,L. Sec 31 Unit M. Sec 34 Unit P. Sec 35 Unit M,N,O. Sec 36 Unit O,P. T 20S – R 29E Sec 1 Unit H,I,P. Sec 13 Unit E,L,M,N. Sec 14 Unit B-P. Sec 15 Unit A,H,I,J,N,O,P. Sec 22 Unit A,B,C,F,G,H,I,J,O,P. Sec 23. Sec 24 Unit C,D,E,F,G,J-P. Sec 25 Unit A-O. Sec 26. Sec 27 Unit A,B,G,H,I,J,O,P. Sec 34 Unit A,B,G,H. Sec 35 Unit A-H. Sec 36 Unit B-G. T 20S - R 30E Sec 1 – Sec 4. Sec 5 Unit A,B,C,E-P. Sec 6 Unit E,G-P. Sec 7 Unit A-H,I,J,O,P. Sec 8 – 17. Sec 18 Unit A,B,G,H,I,J,O,P. Sec 19 Unit A,B,G,H,I,J,O,P. Sec 20 – 29. Sec 30 Unit A-L,N,O,P. Sec 31 Unit A,B,G,H,I,P. Sec 32 – Sec 36. T 20S – R 31E Sec 1 Unit A,B,C,E-P. Sec 2. Sec 3 Unit A,B,G,H,I,J,O,P. Sec 6 Unit D,E,F,J-P. Sec 7. Sec 8 Unit E-P. Sec 9 Unit E,F,J-P. Sec 10 Unit A,B,G-P. Sec 11 – Sec 36. T 21S - R 29E Sec 1 – Sec 3. Sec 4 Unit L1 – L16,I,J,K,O,P. Sec 5 Unit L1. Sec 10 Unit A,B,H,P. Sec 11 – Sec 14. Sec 15 Unit A.H.I. Sec 23 Unit A,B. Sec 24 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 25 Unit A,O,P. Sec 35 Unit G,H,I,J,K,N,O,P. Sec 36 A,B,C,F - P. T 21S - R 30E Sec 1 - Sec 36

T 21S - R 31E

Sec 1 - Sec 36

T 22S – R 28E Sec 36 Unit A,H,I,P.

T 22S – R 29E Sec 1. Sec2. Sec 3 Unit I,J,N,O,P. Sec 9 Unit G – P. Sec 10 – Sec 16. Sec 19 Unit H,I,J. Sec 20 – Sec 28. Sec 29 Unit A,B,C,D,G,H,I,J,O,P. Sec 30 Unit A. Section 31 Unit C – P. Sec 32 – Sec 36

T 22S – R 30E

Sec 1 – Sec 36

T 22S – R 31E

Sec 1 – Sec 11. Sec 12 Unit B,C,D,E,F,L. Sec 13 Unit E,F,K,L,M,N. Sec 14 – Sec 23. Sec 24 Unit C,D,E,F,K,L,M,N. Sec 25 Unit A,B,C,D. Sec 26 Unit A,BC,D,G,H. Sec 27 – Sec 34.

T 23S – R 28E Sec 1 Unit A

T 23S – R 29E

Sec 1 – Sec 5. Sec 6 Unit A – I, N,O,P. Sec 7 Unit A,B,C,G,H,I,P. Sec 8 Unit A – L, N,O,P. Sec 9 – Sec 16. Sec 17 Unit A,B,G,H,I,P. Sec 21 – Sec 23. Sec 24 Unit A – N. Sec 25 Unit D,E,L. Sec 26. Sec 27. Sec 28 Unit A – J, N,O,P. Sec 33 Unit A,B,C. Sec 34 Unit A,B,C,D,F,G,H. Sec 35. Sec 36 Unit B,C,D,E,F,G,K,L.

T 23S – R 30E Sec 1 – Sec 18. Sec 19 Unit A – I,N,O,P. Sec 20, Sec 21. Sec 22 Unit A – N, P. Sec 23, Sec 24, Sec 25. Sec 26 Unit A,B,F-P. Sec 27 Unit C,D,E,I,N,O,P. Sec 28 Unit A – H, K,L,M,N. Sec 29 Unit A – J, O,P. Sec 30 Unit A,B. Sec 32 A,B. Sec 33 Unit C,D,H,I,O,P. Sec 34, Sec 35, Sec 36.

T 23S – R 31E Sec 2 Unit D,E,J,O. Sec 3 – Sec 7. Sec 8 Unit A – G, K – N. Sec 9 Unit A,B,C,D. Sec 10 Unit D,P. Sec 11 Unit G,H,I,J,M,N,O,P. Sec 12 Unit E,L,K,M,N. Sec 13 Unit C,D,E,F,G,J,K,L,M,N,O. Sec 14. Sec 15 Unit A,B,E – P. Sec 16 Unit I, K – P. Sec 17 Unit B,C,D,E, I – P. Sec 18 – Sec 23. Sec 24 Unit B – G, K,L,M,N. Sec 25 Unit B – G, J,K,L. Sec 26 – Sec 34. Sec 35 Unit C,D,E.

T 24S – R 29E Sec 2 Unit A, B, C, D. Sec 3 Unit A

T 24S – R 30E Sec 1 Unit A – H, J – N. Sec 2, Sec 3. Sec 4 Unit A,B,F – K, M,N,O,P. Sec 9 Unit A – L. Sec 10 Unit A – L, O,P. Sec 11. Sec 12 Unit D,E,L. Sec 14 Unit B – G. Sec 15 Unit A,B,G,H. T 24S – R 31E Sec 3 Unit B – G, J – O. Sec 4. Sec 5 Unit A – L, P. Sec 6 Unit A – L. Sec 9 Unit A – J, O,P. Sec 10 Unit B – G, K – N. Sec 35 Unit E – P. Sec 36 Unit E,K,L,M,N.

T 25S – R 31E Sec 1 Unit C,D,E,F. Sec 2 Unit A – H.

Figure D1 and D2

South (Hobbs) Formations to be isolated with cement plugs are:

The plugging requirements in the Hobbs Area are based on the well location within specific areas of the Area (See Figure D1). The Formations in the Hobbs Area to be isolated with cement plugs are (see Figure D2)

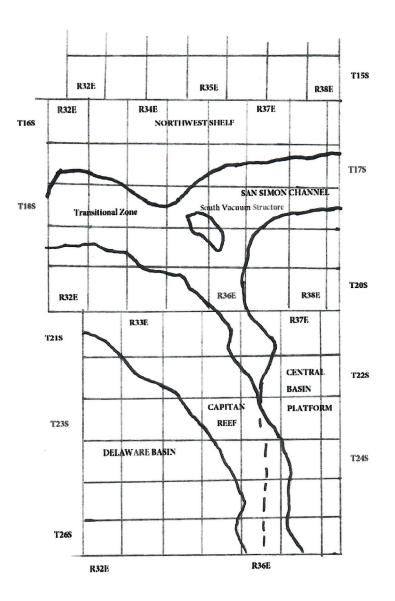


Figure D1 Map

| Transition Zine San Simon Channel South Varicum Siluro-Decorian South Varicum Siluro-Decorian South Varicum Siluro-Decorian Desenance tasin Morce Siluro-Decorian Siluro-Decorian Siluro-Decorian Siluro-Decorian Non- sum Siluro-Decorian Non- sum Siluro-Decorian Siluro-Decorian Siluro-Decorian Siluro-Decorian Siluro-Decorian Non- sum Non- sum Siluro-Decorian Non- sum Siluro-Decorian Siluro-Decorian Morce Morce Morce Non- sum Non- su | | 100, 1 | lug to isolate upper an | id lower fresh water | 100' Plug to isolate upper and lower fresh water zones (typically 250' to 350' | | |
|---|---|---------------------|-------------------------|----------------------|--|--|-----------------------------|
| Starc-Devotian Marco Starc-Devotian Starc-Devotian </th <th>Northwest Shelf</th> <th>Captan Reef Area</th> <th>Transition Zone</th> <th>San Simon Channel</th> <th>South Vacuum Structure</th> <th>Delaware Basin</th> <th>Central Basin Platform</th> | Northwest Shelf | Captan Reef Area | Transition Zone | San Simon Channel | South Vacuum Structure | Delaware Basin | Central Basin Platform |
| Siluc-Deorian Micro Ellerburget Siluc-Deorian Siluc-Deorian Missistippian Morea Morea Micro Micro Micro Micro Siluc-Deorian Micro Micro Micro Micro Micro Siluc-Deorian Micro Micro Micro Micro Micro Develoan Micro Siluc-Deorian Micro Micro Micro Develoan Develoan Micro Micro Micro Micro Develoan Develoan Develoan Micro Micro Micro Develoan Develoan Micro Develoan Micro Micro Develoan Develoan Micro Develoan Micro Micro Develoan Develoan Micro Develoan Micro Micro Develoan Develoan Micro Micro Develoan Micro Develoan Develoan Micro Micro Develoan Micro Develoan | | | | | | | Granit Wash(Detrital |
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| Mississippian Acida Minore More Starent Starent Minore Acida Minore More Minore More Minore More Minore | basement material and | Siluro-Devonian | Morrow | Siluro-Devonian | Ellenburger | Siluro-Devonian | fractured pre-Cambrian |
| Mississippian Adola Monov Male Monov Monov Saam Volicamp Male Monov Monov Saam Volicamp Male Monov Monov Farent Monov Saam Monov Steam Penrolytarian Encolor Monov Monov Steam Penrolytarian Encolor Monov Monov Allon Encore Delavare Elavare Monov Monov Allon Singer Dene Sping Encolor Monov Monov Allon Singer Dene Sping Monov Monov Monov Allon Singer Dene Sping Dene Sping Monov Monov Allon Singer SanAndes Yase SanAndes Yase Sanan Monov Allon Singer Delavare Gayburg-Gand Monov Monov Monov Monov Allon Singer Delavare Sanandes Yase Sanandes Monov Monov Monov Monov | fractured pre-Cambrian | | | | | | basement rock and fracture |
| Mississiptian Atolia Mono Atolia Mono Mono <td>basement rock)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Mafic Volcanic intrusives).</td> | basement rock) | | | | | | Mafic Volcanic intrusives). |
| Messeptier Monta Standam Monta | : | P.8. | Andre | Morrow | Makaa | Morrow | Flenburger |
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| Alota Discrete Alota Decident Evensylvarian Model Discrete Model Discrete Model Discrete Model Discrete Model Discrete Model Discrete Evensylvarian Model Discrete Model Discrete Evensylvarian Model Discrete Evensylvarian Model Discrete Evensylvarian Model Discrete Discre Discre Discre | Fusselman | Morrov | Utrawn | Wolfcamp | Diluro-Devonian | Atoka | |
| Ferreshuration Perreshuration Berreshiption Perreshuration Perreshu | Woodford | Atoka | Cisco | Abo Reef | Woodford | Strawn | Waddell |
| Perropluration Wolfcamp Delavate Delavate Ban Andres Delavate Ban Andres Delavate Ban Andres Delavate Delavate< | Siluro-Devonian | Strawn | Pennsylvanian | Bone Spring | Mississippian | Pennsylvanian | Mokee |
| Wolferanti Moderni Bone-Spring Base of Sati San Andres Noncou Upper Moleandi Moderni Upper Moleandi Moderni Abo Rest, if present Dalevaare San Andres San Andres Noncou Upper Moleandi Moleandi Abo if present Gasyburg-San Andres San Andres Yaes Saram Intel Bone Spring Moleandi Bone Spring Douen Base of Sati Caryon RistBone Spring Moleandi Base of Sati Dates Saram Base of Sati Dates Base of Sati Dates Base of Sati | Checter | Pennsulvanian | Wolfcamp | Delaware | Barnett Shale | Lower Wolfcamp | Simpson Group |
| Abordeet Finesent Delevant Queen Acota Workbarred Abor, finesent San Andes Vates Strawn Tite Bone Sping Sand Abor, finesent Gayburg-San Andes Vates Sara Andes Sara Andes Bone Sping Oueen Fine Bone Sping Encrybuarian Encrybuarian Bone Sping Oueen Fuster Parreyluarian Encrybuarian Encrybuarian Bone Sping Oueen Fuster Paster Paster Paster Sara Proper Base of Salt Seven Fluesc Base of Salt Encrybuarian Encrybuarian Encrybuarian Seven Fluesc Base of Salt Sara Andes Base of Salt Encrybuarian Encrybuarian Seven Fluesc Base of Salt Sara Andes Base of Salt Encrybuarian Encrybuarian Seven Fluesc Base of Salt Sara Andes Base of Salt Encrybuarian Encrybuarian Seven Fluesc Base of Salt Sara Andes Base of Salt Encrybuarian Encrybuarian Seven Flues | Questio Questio | Volteann | Bone Spring | San Andres | Morrow | Upper Wolfcamp | Montoya |
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| Queen, if present Gashburg San Andres Base of Salt Carryon First Bone Sping Sand (Top outwent) Bune Sping Queen Aueen Rustler Rustler Rustler Bune Sping Queen Nates Seven Rusts Bune Sping Delaward Seven Rusts Seven Rusts Bune Sping Bune Sping Delaward Seven Rusts Seven Rusts Bene Sping Bune Sping Delaward Base of Salt Use Seven Rusts Bene Sping Seven Rusts Base of Salt Use Seven Rusts Bene Sping Seven Rusts Base of Salt Seven Rusts Bene Sping Seven Sping State Base of Salt Seven Rusts Bene Sping Seven Sping State Base of Salt Seven Rusts Base of Salt Seven Rusts State Ruster Base of Salt Seven Rusts Seven Rusts State Ruster Base of Salt Seven Rusts Seven Rusts State Ruster Ruster Ruster Seven Rusts State Ruster Ruster Ruster Seven Rusts State Ruster Ruster Ruster Seven Rusts State Ruster | Morrow | Abo, if present | San Andres | Yates | Strawn | Third Bone Spring Sand (Top of Volthone) | Silurian |
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| | to Township 17 South) | | | | | | |
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| | Jueen (Township 15 South to Township 17 South) | | | | | | Seven Rivers |
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State of New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division Standard Plugging Conditions



This document provides OCD's general plugging conditions of approval. It should be noted that the list below may not cover special plugging programs in unique and unusual cases, and OCD expressly reserves the right to impose additional requirements to the extent dictated by project conditions. The OCD also reserves the right to approve deviations from the below conditions if field conditions warrant a change. A C-103F NOI to P&A must be approved prior to plugging operations. Failure to comply with the conditions attached to a plugging approval may result in a violation of 19.15.5.11 NMAC, which may result in enforcement actions, including but not limited to penalties and a requirement that the well be re-plugged as necessary.

- 1. Notify OCD office at least 24 hours before beginning work and seek prior approval to implementing any changes to the C-103 NOI to PA.
 - North Contact, Monica Kuehling, 505-320-0243, monica.kuehling@emnrd.nm.gov
 - South Contact, Gilbert Cordero, 575-626-0830, gilbert.cordero@emnrd.nm.gov
- 2. A Cement Bond Log is required to ensure strata isolation of producing formations, protection of water and correlative rights. A CBL must be run or be on file that can be used to properly evaluate the cement behind the casing.

Note: Logs must be submitted to OCD via OCD permitting. A copy of the log may be emailed to OCD inspector for faster review times, but emailing does not relieve the operators obligation to submit through OCD permitting.

- 3. Once Plugging operations have commenced, the rig must not rig down until the well is fully plugged without OCD approval. If gap in plugging operations exceeds 30 days, the Operator must file a subsequent sundry of work performed and revised NOI for approval on work remaining. At no time shall the rig be removed from location if it will result in waste or contamination of fresh water.
- 4. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.
- 5. Fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
 - North, water or mud laden fluids
 - South, mud laden fluids
- 6. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to an OCD permitted disposal facility.

7. Class of cement shall be used in accordance with the below table for depth allowed.

| Class | TVD Lower Limit (feet) |
|----------------|------------------------|
| Class A/B | 6,000 |
| Class I/II | 6,000 |
| Class C or III | 6,000 |
| Class G and H | 8,000 |
| Class D | 10,000 |
| Class E | 14,000 |
| Class F | 16,000 |

- 8. After cutting the well head any "top off cement jobs" must remain static for 30 minutes. Any gas bubbles or flow during this 30 minutes shall be reported to the OCD for approval of next steps.
- 9. Trucking companies being used to haul oilfield waste fluids (Commercial or Private) to a disposal facility shall have an approved OCD C-133 permit.
 - A copy of this permit shall be available in each truck used to haul waste products.
 - It is the responsibility of the Operator and Contractor to verify that this permit is in place prior to performing work.
 - Drivers shall be able to produce a copy upon request of an OCD Compliance Officer.
- 10. Filing a [C-103] Sub. Plugging (C-103P) will serve as notification that the well has been plugged.
- 11. A [C-103] Sub. Release After P&A (C-103Q) shall be filed no later than a year after plugging and a site inspection by OCD Compliance officer to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to meet OCD standards before bonding can be released.
- 12. Produced water or brine-based fluids may not be used during any part of plugging operations without prior OCD approval.
- 13. Cementing;
 - All cement plugs will be neat cement and a minimum of 100' in length. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
 - If cement does not exist between or behind the casing strings at recommended formation depths, the casing perforations will be shot at 50' below the formation top and the cement retainer shall be set no more than 50' from the perforations.
 - WOC (Wait on Cement) time will be:
 - 4 hours for accelerated (calcium chloride) cement.
 - 6 hours on regular cement.
 - Operator must tag all cement plugs unless it meets the below condition.
 - The operator has a passing pressure test for the casing annulus and the plug is only an inside plug.
 - If perforations are made operator must tag all plugs using the work string to tag unless given approval to tag with wireline by the correct contact from COA #1 of this document.
 - This includes plugs pumped underneath a cement retainer to ensure retainer seats properly after cement is pumped.
 - Cement can only be bull-headed with specific prior approval.
 - Squeeze pressures are not to exceed the exposed formations frac gradient or the burst pressure of the casing.

- 14. A cement plug is required to be set from 50' below to 50' above (straddling) formation tops, casing shoes, casing stubs, any attempted casing cut offs, anywhere the casing is perforated, DV tools.
 - Perforation/Formation top plug. (When there is less than 100ft between the top perforation to the formation top.) These plugs are required to be started no greater than 50ft from the top perforation. However, the plug should be set below the formation top or as close to the formation top as possible for the maximum isolation between the formations. The plug is required to be a 100ft cement plug plus excess.
 - Perforation Plug when a formation top is not included. These plugs are required to be started within 50ft of the top perforation. The plug is required to be a 100ft cement plug plus excess.
 - Cement caps on top of bridge plugs or cement retainers for perforation plugs, that are not straddling a formation top, may be set using a bailer with a minimum of 35' of cement in lieu of the 100' plug. The bridge plug or retainer must be set within 50ft of the perforations.
 - Perforations are required below the surface casing shoe if cement does not exist behind the casing, a 30-minute minimum wait time will be required immediately after perforating 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. If gas is detected contact the OCD office for directions.
- 15. No more than 3000 feet is allowed between cement plugs in cased hole and no more than 2000 feet is allowed in open hole.
- 16. Formation Tops to be isolated with cement plugs, but not limited to are:
 - Northwest See Figure A
 - South (Artesia) See Figure B
 - Potash See Figure C
 - In the R-111-P (Or as subsequently revised) Area a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, woe 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.
 - South (Hobbs) See Figure D1 and D2
 - Areas not provided above will need to be reviewed with the OCD on a case by case basis.
- 17. Markers
 - Dry hole marker requirements 19.15.25.10.
 - The operator shall mark the exact location of plugged and abandoned wells with a steel marker not less than four inches in diameter set in cement and extending at least four feet above mean ground level. The marker must include the below information:
 - 1. Operator name
 - 2. Lease name and well number
 - 3. API number
 - 4. Unit letter
 - 5. Section, Township and Range

AGRICULTURE (Below grade markers)

In Agricultural areas a request can be made for a below ground marker. For a below ground marker the operator must file their request on a C-103 notice of intent, and it must include the following;

- A) Aerial photo showing the agricultural area
- B) Request from the landowner for the below ground marker.

C) Subsequent plugging report for a well using a below ground marker must have an updated C-102 signed by a certified surveyor for SHL.

Note: A below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to OCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to OCD. OCD requires a current survey to verify the location of the below ground marker, however OCD will accept a GPS coordinate that were taken with a GPS that has an accuracy of within 15 feet.

18. If work has not commenced within 1 year of the approval of this procedure, the approval is automatically expired. After 1 year a new [C-103] NOI Plugging (C-103F) must be submitted and approved prior to work.

Figure A

North Formations to be isolated with cement plugs are:

- San Jose
- Nacimiento
- Ojo Alamo
- Kirtland
- Fruitland
- Picture Cliffs
- Chacra (if below the Chacra Line)
- Mesa Verde Group
- Mancos
- Gallup
- Basin Dakota (plugged at the top of the Graneros)
- Deeper formations will be reviewed on a case-by-case basis

Figure B

South (Artesia) Formations to be isolated with cement plugs are:

- Fusselman
- Montoya
- Devonian
- Morrow
- Strawn
- Atoka
- Permo-Penn
- Wolfcamp
- Bone Springs
- Delaware , in certain areas where the Delaware is subdivided into;
 - 1. Bell Canyon
 - 2. Cherry Canyon
 - 3. Brushy Canyon
 - Any salt sections
- Abo

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- Yeso
- Glorieta
- San Andres
- Greyburg
- Queen
- Yates

Figure C

Potash Area R-111-P

T 18S - R 30E Sec 10 Unit P. Sec 11 Unit M,N. Sec 13 Unit L,M,N. Sec 14 Unit C -P. Sec 15 Unit A G,H,I,J,K,N,O,P. Sec 22 Unit All except for M. Sec 23, Sec 24 Unit C,D,E,L, Sec 26 Unit A-G, Sec 27 Unit A,B,C T 19S – R 29E Sec 11 Unit P. Sec 12 Unit H-P. Sec 13. Sec 14 Unit A,B,F-P. Sec 15 Unit P. Sec 22 Unit A,B,C,F,G,H,I,J K,N,O,P. Sec 23. Sec 24. Sec 25 Unit D. Sec 26 Unit A- F. Sec 27 Unit A,B,C,F,G,H. T 19S – R 30E Sec 2 Unit K,L,M,N. Sec 3 Unit I,L,M,N,O,P. Sec 4 Unit C,D,E,F,G,I-P. Sec 5 Unit A,B,C,E-P. Sec 6 Unit I,O,P. Sec 7 – Sec 10. Sec 11 Unit D, G—P. Sec 12 Unit A,B,E-P. Sec 13 Unit A-O. Sec 14-Sec 18. Sec 19 Unit A-L, P. Sec 20 – Sec 23. Sec 24 Unit C,D,E,F,L,M,N. Sec 25 Unit D. Sec 26 Unit A-G, I-P. Sec 27, Sec 28, Sec 29 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 32 Unit A,B,G,H,I,J,N,O,P. Sec 33. Sec 34. Sec 35. Sec 36 Unit D,E,F,I-P. T 19S – R 31E Sec 7 Unit C,D,E,F,L. Sec 18 Unit C,D,E,F,G,K,L. Sec 31 Unit M. Sec 34 Unit P. Sec 35 Unit M,N,O. Sec 36 Unit O.P. T 20S – R 29E Sec 1 Unit H,I,P. Sec 13 Unit E,L,M,N. Sec 14 Unit B-P. Sec 15 Unit A,H,I,J,N,O,P. Sec 22 Unit A,B,C,F,G,H,I,J,O,P. Sec 23. Sec 24 Unit C,D,E,F,G,J-P. Sec 25 Unit A-O. Sec 26. Sec 27 Unit A,B,G,H,I,J,O,P. Sec 34 Unit A,B,G,H. Sec 35 Unit A-H. Sec 36 Unit B-G. T 20S – R 30E Sec 1 – Sec 4. Sec 5 Unit A,B,C,E-P. Sec 6 Unit E,G-P. Sec 7 Unit A-H,I,J,O,P. Sec 8 – 17. Sec 18 Unit A,B,G,H,I,J,O,P. Sec 19 Unit A,B,G,H,I,J,O,P. Sec 20 – 29. Sec 30 Unit A-L,N,O,P. Sec 31 Unit A,B,G,H,I,P. Sec 32 – Sec 36. T 20S – R 31E Sec 1 Unit A,B,C,E-P. Sec 2. Sec 3 Unit A,B,G,H,I,J,O,P. Sec 6 Unit D,E,F,J-P. Sec 7. Sec 8 Unit E-P. Sec 9 Unit E,F,J-P. Sec 10 Unit A,B,G-P. Sec 11 – Sec 36. T 21S – R 29E Sec 1 – Sec 3. Sec 4 Unit L1 – L16,I,J,K,O,P. Sec 5 Unit L1. Sec 10 Unit A,B,H,P. Sec 11 – Sec 14. Sec 15 Unit A,H,I. Sec 23 Unit A,B. Sec 24 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 25 Unit A,O,P. Sec 35 Unit G,H,I,J,K,N,O,P. Sec 36 A,B,C,F - P.T 21S – R 30E Sec 1 - Sec 36

T 21S – R 31E Sec 1 – Sec 36 T 22S – R 28E Sec 36 Unit A,H,I,P. T 22S – R 29E Sec 1. Sec2. Sec 3 Unit I,J,N,O,P. Sec 9 Unit G – P. Sec 10 – Sec 16. Sec 19 Unit H,I,J. Sec 20 – Sec 28. Sec 29 Unit A,B,C,D,G,H,I,J,O,P. Sec 30 Unit A. Section 31 Unit C – P. Sec 32 – Sec 36 T 22S – R 30E Sec 1 – Sec 36 T 22S – R 31E Sec 1 – Sec 11. Sec 12 Unit B,C,D,E,F,L. Sec 13 Unit E,F,K,L,M,N. Sec 14 – Sec 23. Sec 24 Unit C,D,E,F,K,L,M,N. Sec 25 Unit A,B,C,D. Sec 26 Unit A,BC,D,G,H. Sec 27 – Sec 34. T 23S – R 28E Sec 1 Unit A T 23S – R 29E Sec 1 – Sec 5. Sec 6 Unit A – I, N,O,P. Sec 7 Unit A,B,C,G,H,I,P. Sec 8 Unit A – L, N,O,P. Sec 9 – Sec 16. Sec 17 Unit A,B,G,H,I,P. Sec 21 – Sec 23. Sec 24 Unit A – N. Sec 25 Unit D,E,L. Sec 26. Sec 27. Sec 28 Unit A – J, N,O,P. Sec 33 Unit A,B,C. Sec 34 Unit A,B,C,D,F,G,H. Sec 35. Sec 36 Unit B,C,D,E,F,G,K,L. T 23S – R 30E Sec 1 – Sec 18. Sec 19 Unit A – I,N,O,P. Sec 20, Sec 21. Sec 22 Unit A – N, P. Sec 23, Sec 24, Sec 25. Sec 26 Unit A,B,F-P. Sec 27 Unit C,D,E,I,N,O,P. Sec 28 Unit A – H, K,L,M,N. Sec 29 Unit A – J, O,P. Sec 30 Unit A,B. Sec 32 A,B. Sec 33 Unit C,D,H,I,O,P. Sec 34, Sec 35, Sec 36. T 23S – R 31E Sec 2 Unit D,E,J,O. Sec 3 – Sec 7. Sec 8 Unit A – G, K – N. Sec 9 Unit A,B,C,D. Sec 10 Unit D,P. Sec 11 Unit G,H,I,J,M,N,O,P. Sec 12 Unit E,L,K,M,N. Sec 13 Unit C,D,E,F,G,J,K,L,M,N,O. Sec 14. Sec 15 Unit A,B,E – P. Sec 16 Unit I, K – P. Sec 17 Unit B,C,D,E, I – P. Sec 18 – Sec 23. Sec 24 Unit B – G, K,L,M,N. Sec 25 Unit B – G, J,K,L. Sec 26 – Sec 34. Sec 35 Unit C,D,E. T 24S – R 29E Sec 2 Unit A, B, C, D. Sec 3 Unit A T 24S – R 30E Sec 1 Unit A – H, J – N. Sec 2, Sec 3. Sec 4 Unit A,B,F – K, M,N,O,P. Sec 9 Unit A – L. Sec 10 Unit A – L, O,P. Sec 11. Sec 12 Unit D,E,L. Sec 14 Unit B – G. Sec 15 Unit A,B,G,H.

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T 24S – R 31E
Sec 3 Unit B – G, J – O. Sec 4. Sec 5 Unit A – L, P. Sec 6 Unit A – L. Sec 9 Unit A – J, O,P. Sec 10 Unit B – G,
K – N. Sec
35 Unit E – P. Sec 36 Unit E,K,L,M,N.
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T 25S – R 31E Sec 1 Unit C,D,E,F. Sec 2 Unit A – H.

Figure D1 and D2

South (Hobbs) Formations to be isolated with cement plugs are:

The plugging requirements in the Hobbs Area are based on the well location within specific areas of the Area (See Figure D1). The Formations in the Hobbs Area to be isolated with cement plugs are (see Figure D2)

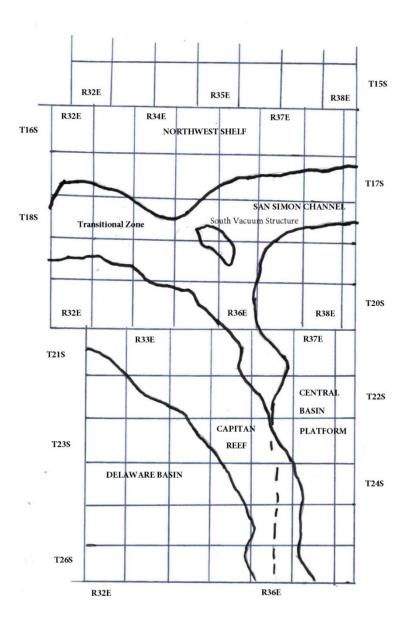


Figure D1 Map

Page 26 of 27

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Figure D2 Formation Table

| | 100' | P'lug to isolate upper a | nd lower fresh water | zones (typiailly 2.50' to | 350') | |
|--|--|--------------------------|----------------------|---------------------------|--|--|
| ND!rthwest Shelf | C;iptan Reef Are <a< th=""><th>Trani5ition Zone</th><th>San Simon Oh.annel</th><th>South \lacJUUm Structure</th><th>Delaware Basin</th><th>Ce<n,tiral basin="" platform<="" th=""></n,tiral></th></a<> | Trani5ition Zone | San Simon Oh.annel | South \lacJUUm Structure | Delaware Basin | Ce <n,tiral basin="" platform<="" th=""></n,tiral> |
| Granit \./ash (Detrital basement material and fractured pre-Cambrian basement rock) | Siluro-Devonian | Morrow | Siluro-Devonian | Ellenburger | Siluro-Devonian | Granit \./ash (Detrital basement material, fractured pre-Cambrian basement rock and fracture Mafic Volcanic intrusives). |
| Montoya | Mississippian | Atoka | Morrow | Mckee | Morrow | Ellenburger |
| Fusselman | Morrow | Strawn | \./olfcamp | Siluro-Devonian | Atoka | Connell |
| Woodford | Atoka | Cisco | Abo Reef | Woodford | Strawn | Waddell |
| Siluro-Devonian | Strawn | Pennsylvanian | Bone Spring | Mississippian | Pennsylvanian | Mckee |
| Chester | Pennsylvanian | \./olfcamp | Delaware | Barnett Shale | Low er \./olfcamp | Simpson Group |
| Austin | \./olfcamp | Bone Spring | San Andres | Morrow | Upper \./olfcamp | Montoya |
| Mississippian | Abo Reef, if present | Delaware | Queen | Atoka | \./olfcamp | Fusselman |
| Morrow | Abo, if present | San Andres | Yates | Strawn | Third Bone Spring Sand (Top of \./olfbone) | Silurian |
| Atoka | Queen, if present | Grayburg-San Andres | Base of Salt | Canyon | First Bone Spring Sand (Top of Lower Bone Spring) | Devonian |
| Lower Pennsylvanian | Bone Spring | Queen | Rustler | Pennsylvanian | Bone Spring | Strawn |
| Cisco-Canyon | Delaware | Seven Rivers | | Blinebry | Brushy Canyon | Pennsylvanian |
| Pennsylvanian | Base Capitan Reef | Yates | | Bone Spring | Delaw are (Base of Salt) | \./olfcamp |
| Bough | Seven Rivers | Base of Salt | | San Andres | Rustler | Abo |
| \./olfcamp | Yates | Rustler | | Queen | | Abo Reef |
| Abo | Top Capitan Reef | | | Base of Salt | | Drinkard |
| Abo Reef, if present | Base of Salt | | | Rustler | | Tubb |
| Yeso (Township 15 South to Township 17 South) | Rustler | | | | | Blinebry |
| Drinkard or Low er Y eso (Township 15 South to Township 17 South) | | | | | | Paddock |
| Tubb (Township 15 South to Township 17 South) | | | | | | Glorieta |
| Blinebry (Township 15 South to Township 17 South) | | | | | | San Andres |
| Pad dock (Township 15 South to Township 17 South) | | | | | | Grayburg |
| Glorieta | | | | | | Grayburg-San Andres |
| San Andres | | | | | | Queen |
| Queen (Township 15 South to Township 17 South) | | | | | | Seven Rivers |
| Seven Rivers (Township 15 South to Township 17 South) | | | | | | Yates |
| Yates (Township 15 South to Township 17 South) | | | | | | Base of Salt |
| Base of Salt | | | | | | Rustler |
| Rustler | | | | | | |

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

| Operator: | OGRID: |
|---------------------------|-------------------------------------|
| A-PLUS WELL SERVICE, INC. | 370317 |
| P.O. Box 1979 | Action Number: |
| Farmington, NM 87499 | 405958 |
| | Action Type: |
| | [C-103] NOI Plug & Abandon (C-103F) |

| CONDITIONS |
|------------|
|------------|

| Created By | Condition | Condition Date |
|-------------|--|----------------|
| loren.diede | Extend the Yates and B Salt plug up to at least 929' to cover the Rustler. | 11/22/2024 |
| loren.diede | Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations. | 11/22/2024 |
| loren.diede | A Cement Bond Log (CBL) is required for all Plug & Abandons (P&A) unless a CBL is currently on file with the OCD that can be used to properly evaluate the cement behind the casing. | 11/22/2024 |

Page 27 of 27