

Office  
District I – (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II – (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III – (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV – (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised August 1, 2011

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

|   |
|---|
| WELL API NO.<br>30-005-60332  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.<br>K0-5110-1   |
| 7. Lease Name or Unit Agreement Name<br>SOUTH LUCKY LAKE QUEEN UNIT                                 |
| 8. Well Number<br>001A  |
| 9. OGRID Number<br>371067   |
| 10. Pool name or Wildcat<br>LUCKY LAKE QUEEN, SOUTH   |

|   |  |
|---|--|
| <p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br/>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p> |  |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>  |  |
| 2. Name of Operator<br>BAR V BARB, LLC  |  |
| 3. Address of Operator<br>P.O. BOX 4435, ROSWELL, NM 88202  |  |
| 4. Well Location  |  |
| Unit Letter O : 660 feet from the SOUTH line and 1980 feet from the EAST line   |  |
| Section 16 Township 15S Range 29E NMPM CHAVES County  |  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>3,843.5' – GR   |  |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

**NOTICE OF INTENTION TO:**  
 PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒  
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
 DOWNHOLE COMMINGLE ☐

**SUBSEQUENT REPORT OF:**  
 REMEDIAL WORK ☐ ALTERING CASING ☐  
 COMMENCE DRILLING OPNS. ☐ P AND A ☐  
 CASING/CEMENT JOB ☐

**OTHER:** Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

**THIS IS AN ORPHANED WELL.** BY LETTER DATED NOVEMBER 19, 2024, NMOCD HAS AUTHORIZED PERMIAN RESOURCES TO PLUG AND ABANDON THE SOUTH LUCKY LAKE QUEEN UNIT #001A WELL (API 30-005-60332) ON NMOCD'S BEHALF PURSUANT TO ITS AUTHORITY UNDER ORDER NO. R-23410. PERMIAN RESOURCES OPERATING, LLC RESPECTFULLY SUBMITS THIS NOI TO P&A ON BEHALF OF BAR V BARB, LLC.

- 1) SET 4-1/2" CIBP @ 1,750'; CIRC. WELL W/ M.L.F.; PRES. TEST CSG. TO 500# X HOLD 30 MINS.; RUN CBL.
- 2) PUMP (25) SXS. CLASS "C" CMT. @ 1,750'-1,550'; WOC X TAG TOC.
- 3) PERF. X ATTEMPT TO SQZ. (120) SXS. CLASS "C" CMT. @ 1,300'-944' (T/7-R, T/YATES, B/SALT); WOC X TAG.
- 4) PERF. X CIRC. TO SURF., FILLING ALL ANNULI, (120) SXS. CLASS "C" CMT. @ 353'-3' (8-5/8" SHOE, T/ SALT).
- 5) DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; VERIFY CMT. TO SURF. ON ALL ANNULI; WELD ON STEEL PLATE TO CSGS. X INSTALL BELOW GROUND DRY HOLE MARKER (LPCH AREA).

DURING THIS PROCEDURE WE PLAN TO USE THE CLOSED-LOOP SYSTEM W/ A STEEL TANK AND HAUL CONTENTS TO THE REQUIRED DISPOSAL, PER OCD RULE 19.15.17.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jessica Dooling TITLE: Regulatory Specialist

DATE: 11/26/2024

Type or print name: Jessica Dooling E-mail address: Jessica.dooling@permianres.com PHONE: 432-999-3072

**For State Use Only**

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any):

## PLUGGING &amp; ABANDONMENT WORKSHEET

30-005-60332

CURRENT

OPERATOR

BAR V BARB LLC (371067)

LEASENAME

South LUCKY LAKE UNIT

WELL # 001A

SECT

16 TWN

15S RNG

29E

FROM

660 NSL

1980 EWL

TD:

1,848'

FORMATION @ TD QN.

PBDT:

1,830'

FORMATION @ PBDT

8-5/8"  
@ 303'  
TOC SURF.

|              | SIZE   | SET @  | TOC          | TOC DETERMINED BY |               |
|--------------|--------|--------|--------------|-------------------|---------------|
| SURFACE      | 8-5/8" | 303'   | SURF.        | CIRC.(100)        |               |
| INTMED 1     |        |        |              |                   |               |
| INTMED 2     |        |        |              |                   |               |
| PROD         | 4-1/2" | 1,848' | N/A          | 100 SXS.          |               |
|              | SIZE   | TOP    | BOT          | TOC               | DETERMINED BY |
| LINER 1      |        |        |              |                   |               |
| LINER 2      |        |        |              |                   |               |
| CUT & PULL @ |        |        | TOP - BOTTOM |                   |               |
| INTMED 1     |        |        | PERFS        | 1,765' - 1,775'   |               |
| INTMED 2     |        |        | OPENHOLE     |                   |               |
| PROD         |        |        |              |                   |               |

## \* REQUIRED PLUGS DISTRICT I

|                 |  |
|-----------------|--|
| RUSTLER (ANHYD) |  |
| YATES           |  |
| QUEEN           |  |
| GRAYBURG        |  |
| SAN ANDRES      |  |
|                 |  |
| CAPTAN REEF     |  |
|                 |  |
| DELAWARE        |  |
| BELL CANYON     |  |
| CHERRY CANYON   |  |
| BRUSHY CANYON   |  |
| BONE SPRING     |  |
|                 |  |
| GLORIETA        |  |
| BLINEBRY        |  |
| TUBE            |  |
| DRINKARD        |  |
| ABO             |  |
|                 |  |
| WC              |  |
| PENN            |  |
| STRAWN          |  |
| ATOKA           |  |
| MORROW          |  |
| MISS            |  |
| DEVONIAN        |  |

| PLUG     | TYPE      | SACKS   | DEPTH       |
|----------|-----------|---------|-------------|
| PLUG     | PLUG      | CMNT    |             |
| EXAMPLES |           |         |             |
| PLUG #1  | OH        | 25 SXS  | 9850'       |
| PLUG #2  | SHOE      | 50 SXS  | 8700'-8800' |
| PLUG #3  | CIBP/35'  |         | 5300'       |
| PLUG #3  | CIBP      | 25 SXS  | 5300'       |
| PLUG #4  | STUB      | 50 SXS  | 4600'-4700' |
| PLUG #6  | RETNR SQZ | 200 SXS | 400         |
| PLUG #7  | SURF      | 10 SXS  | 0-10'       |
| PLUG #1  |           |         |             |
| PLUG #2  |           |         |             |
| PLUG #3  |           |         |             |
| PLUG #4  |           |         |             |
| PLUG #5  |           |         |             |
| PLUG #6  |           |         |             |
| PLUG #7  |           |         |             |
| PLUG #8  |           |         |             |
| PLUG #9  |           |         |             |
| PLUG #10 |           |         |             |
| PLUG #   |           |         |             |
| PLUG #   |           |         |             |

1765'-75'  
4-1/2"  
@ 1,848'  
TOC N/A.

TD 1,848'

D&amp;E 09/07/2024

## PLUGGING &amp; ABANDONMENT WORKSHEET

30-005-60332

PURPOSED

OPERATOR

BAR V BARB, LLC (371067)

LEASENAME

SOUTH LUCKY LAKE UNIT

WELL #

001A

SECT

16 TWN

15 S RNG

29E

FROM

660 NSL

1980 EWL

TD:

1,848'

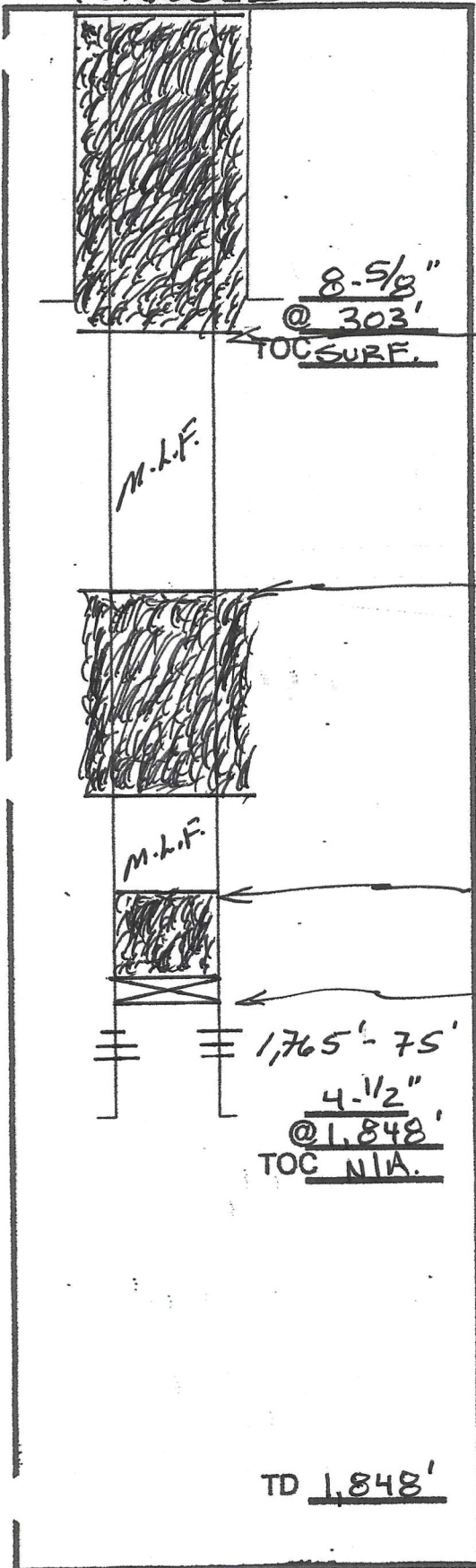
FORMATION @ TD

QN.

PBD:

1,830'

FORMATION @ PBD



PERF. X CIRC. (120) SXS. @ 353'-3'

T/SALT ~ 260'

B/SALT. ~ 994'

T/YATES ~ 1,035'

T/7-R. ~ 1,250'

T/QN. ~ 1,760'

PERF. X SQZ. (120) SXS. @ 1,300'-944' — TAG

PUMP (25) SXS. @ 1,750'-1,550' ~ TAG.

SET 4-1/2" CTBP @ 1,750'

1,765'-75'

4-1/2"

@ 1,848'

TOC N/A.

TD 1,848'

DSE 09/07/2024



State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan-Grisham**  
Governor

**Melanie A. Kenderdine**  
Cabinet Secretary-Designate

**Benjamin Shelton**  
Deputy Secretary (Acting)

**Gerasimos Razatos**, Division Director (Acting)  
Oil Conservation Division



**BY ELECTRONIC MAIL**

Rob Montgomery  
Senior Counsel  
Permian Resources Operating, LLC  
300 N. Marienfeld Street,  
Suite 1000  
Midland, Texas 79701

**Re: Oil Conservation Division Authorization for Permian Resource to Plug and Abandon Well(s)**

Mr. Montgomery:

The Oil Conservation Division ("OCD") received your request of October 11, 2024, requesting authorization for Permian Resources Operating, LLC ("PR"), to plug and abandon the following well: South Lucky Lake Queen Unit #001A Well API: 30-005-60332. Bar V Barb, LLC ("BVB") is the registered operator of this well and PR is the leaseholder where the well is located. As the leaseholder, PR may be deemed a responsible operator for purposes of plugging and remediation activities or for indemnification of costs incurred by OCD for such activities.

On September 20, 2024, OCD issued Final Order R-23410 ("R-23410"), setting forth plugging compliance deadlines to be met by BVB. That Final Order R-23410 is incorporated herein as though set forth in full. BVB has not complied with the plugging deadline established in the Order and OCD is authorized to plug and abandon the well.

OCD hereby authorizes PR, to plug and abandon the above-identified well on OCD's behalf pursuant to its authority under R-23410.

Please contact Assistant General Counsel, Christy Treviño at (505)-607-4524 or [Christy.Trevino@emnrd.nm.gov](mailto:Christy.Trevino@emnrd.nm.gov), with questions, including the submission of plugging sundries as OCD will not be transferring operatorship to you and will need to place the plugging sundries into the well files.

Regards,

Gerasimos Razatos  
Director (Acting)

11/19/2024

Date

cc: EMNRD-OGC

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN RE BAR V BARB, LLC  
Respondent.**

**CASE NO. 24773  
ORDER NO. R-23410**

**ORDER**

This matter came before the Director of the New Mexico Oil Conservation Division (“Division” or “OCD”) on the Notice of Violation (“NOV”) dated on or about July 23, 2024, issued to Bar V Barb LLC, OGRID #371067 (“Operator”). The Division’s Hearing Examiner conducted a public hearing on September 12, 2024. The Director, having considered the testimony and evidence presented, and being otherwise fully advised in the premises, finds, concludes and orders:

**FINDINGS OF FACT**

1. The Division has jurisdiction over the parties and the subject matter herein.
2. On or about July 23, 2024, the Division issued the NOV, which alleged three violations (OCD Ex.2):
  - a. Operator allegedly violated 19.15.5.9(A)(4)(a) NMAC. At the time of the NOV, Operator was the registered operator of twelve wells in New Mexico. Under 19.15.5.9(A)(4)(a) NMAC, as the operator of 100 wells or less, Operator was not permitted to have more than two inactive wells out of compliance with 19.15.25.8 NMAC, which requires inactive wells to be plugged and abandoned or placed into approved temporary abandonment status. At the time of the NOV, Operator had twelve inactive wells which were not plugged and abandoned or placed into temporary abandonment status as demonstrated by OCD Ex. 2-A.

**FINAL ORDER  
CASE NO. 24773  
1**

- b. Operator allegedly violated 19.15.8.9 NMAC by lacking financial assurance for three wells.
  - c. Operator allegedly violated 19.15.7.24 NMAC by not filing the required monthly production reports, form C-115, as demonstrated by OCD Ex 2-B. Operator had not submitted a C-115 for any well since at least April 2023.
- 3. The NOV requested the following relief:
  - a. Operator shall plug and abandon all twelve wells listed in OCD Ex. 2-A by a certain date or failing to do so, the Division would assume that duty,
  - b. Operator's financial assurance shall be forfeited,
  - c. Operator's authority to transport from the twelve registered wells identified in OCD Ex. 2-A shall be terminated,
  - d. Operator is civilly liable for violations of 19.15.5.9(A)(4)(a) NMAC in the amount of \$4,500.00, for violations of 19.15.8.9 NMAC in the amount of \$1,350.00, and for violations of 19.15.7.24 NMAC in the amount of \$21,600.00.
- 4. The NOV informed Operator of OCD's informal resolution process, and in the event Operator did not respond to the NOV, that a formal hearing would occur on the September 12, 2024 docket.
- 5. Operator did not contact the Division during the informal resolution period or provide any evidence that the alleged violations had not occurred. Operator did not file a prehearing statement to enter an appearance or otherwise present evidence pursuant to 19.15.5 NMAC.

6. On August 12, 2024, OCD filed and served the Docketing Notice and formally requested a hearing. Operator did not answer the NOV as contemplated by 19.15.5.10(E)(2)(b) NMAC.
7. The Division provided Operator with notice of the September 12, 2024 hearing as required under 19.15.5.10 NMAC.
8. A hybrid hearing (in-person at Pecos Hall in Santa Fe, NM and virtually through Microsoft Teams) on the NOV was held on September 12, 2024 before a Division Hearing Examiner. Operator did not appear.
9. The Division presented sworn testimony through the Affidavits of Nicholas Karns, Compliance Officer and Bond Administrator with the Division's Administrative and Compliance Bureau, and Shelia Apodaca, OCD Law Clerk.
10. The Division provided evidence of notice of the Docketing Statement. OCD Ex. 4 & 5.
11. Five Exhibits were admitted into evidence without objection in support of the NOV.
12. Mr. Karns, who was previously qualified as an expert in administrative compliance before the Division, provided the following evidence in support of the ongoing violations:
  - a. As of September 12, 2024, Operator remained out of compliance with the inactive well requirements of 19.15.5.9(A)(4)(a) NMAC. As of June 27, 2024, Operator had twelve wells, all of which were inactive wells that had not been plugged and abandoned or placed in approved temporary abandonment status. OCD Ex. 2-A.
  - b. Operator remained out of compliance with 19.15.8.9 NMAC by lacking financial assurance for three wells. OCD Ex. 2-B.

- c. Operator remained out of compliance with 19.15.7.24 NMAC, because Operator had not filed the required C-115 production reports since September 2019. OCD Ex 2-C.
13. OCD provided Final Order R-21756 dated June 24, 2021 that required Operator to plug and abandon ten of the subject wells. Operator failed to comply with the Order. OCD Ex 2-D.
14. On September 9, 2024 Operator sent an email to OCD Counsel disputing the ownership of the subject wells. OCD Ex. 5.
15. The Oil and Gas Act provides that “[i]n assessing a penalty authorized by this section, the division shall take into account the seriousness of the violation, any good faith efforts to comply with the applicable requirements, any history of noncompliance under the Oil and Gas Act and other relevant factors.” NMSA 1978, §70-2-31(C). OCD provided evidence that the penalties were reasonable and in accordance with the law. OCD Ex. 2-E.

### CONCLUSIONS OF LAW

16. The Division has met its burden to show by a preponderance of evidence that Operator has violated 19.15.5.9(A)(4)(a) NMAC by failing to plug and abandon twelve inactive wells.
17. Operator has violated 19.15.8.9 NMAC by lacking financial assurance for three of the subject wells.
18. Operator has violated 19.15.7.24 NMAC by failing to submit the required C-115 forms for all subject wells.
19. The civil penalties calculated by the Division are allowed by law, reasonable under 19.15.5.10(B) NMAC, and are supported by the evidence in the Administrative and Hearing Records.



**ORDER**

20. Operator's authority to transport from subject wells is hereby suspended until such time as Operator is compliant with this Order and the NM Oil and Gas Act.
21. Operator shall plug and abandon all twelve wells listed in OCD Ex. 2-A no later than 30 days after issuance of this Order.
22. If Operator fails to plug and abandon the subject wells as directed herein, the Division shall be authorized to plug and abandon the wells and to forfeit the financial assurance for the wells. Such plugging activities may include necessary reclamation or remediation work associated with wells that have been partially plugged and abandoned, Operator shall pay the excess cost to plug and abandon the wells no later than 30 days after actual or attempted service of the Division's written demand. If the excess costs to the Division are not received, the Division may seek indemnification.
23. The Division retains jurisdiction of this matter for the entry of such further orders as it may deem necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



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**GERASIMOS RAZATOS  
ACTING DIRECTOR**

**DATED: September 20, 2024**

**FINAL ORDER  
CASE NO. 24773**

**5**

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF PERMIAN RESOURCES  
OPERATING, LLC AND NEW MEXICO OIL  
CORP. TO REMOVE BAR V BARB, LLC AS  
OPERATOR OF RECORD OF THE  
SOUTH LUCKY LAKE QUEEN UNIT #001A,  
SOUTH LUCKY LAKE QUEEN UNIT #001, AND  
SOUTH LUCKY LAKE QUEEN UNIT #002 WELLS,  
CHAVES COUNTY, NEW MEXICO.**

**CASE NO.: 23729  
ORDER NO.: R-23336**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through its Hearing Examiner on September 7, 2023, and after considering the testimony, evidence, and recommendations of the Hearing Officer and Technical Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Permian Resources Operating, LLC (“Permian”) and New Mexico Oil Corporation (“NMOC”) submitted an application (“Application”) to remove Bar V Barb, LLC (“BVB”) as operator of record of the following wells (“the Wells”) and designate Permian as operator of record:
  - South Lucky Lake Queen Unit #001A (API: 30-005-60332) (Lease No. K0-5110-1)
  - South Lucky Lake Queen Unit #001 (API: 30-005-60360) (Lease No. L0-1894-1)
  - South Lucky Lake Queen Unit #002 (API: 30-005-60371) (Lease No. L0-1894-1)
2. Permian’s wholly owned subsidiary Read & Stevens is the record title owner of State Lease L0-1894-1 dated December 17, 1968.
3. NMOC is the record title owner of State Lease K0-5110-1 dated July 20, 1965.
4. BVB is the registered operator of record for the Wells with OCD.
5. Permian seeks to plug the Wells as the designated operator.
6. At the September 7, 2023, Hearing, Permian presented evidence by affidavit in support of its application which was admitted into evidence without objection.
7. The evidence shows that Permian made contact with Steve Oldfield (identified in OCD records as owner of BVB) who transferred his interest in BVB to Scott Standard in May 2019. Mr. Oldfield stated that he has no contact information for Scott Standard and is not

- willing to plug and abandon the Wells or execute C-145s because he no longer has an interest in BVB.
8. The New Mexico Secretary of State Records show that BVB's corporate status has been revoked.
  9. In 2021, BVB did not appear or answer the allegations contained in a Notice of Violation filed in Case No. 21900. The NOV alleged that BVB had fifteen inactive wells that had not been plugged and abandoned or placed in approved temporary abandonment status, and that BVB did not have sufficient financial assurance for the inactive wells.
  10. Subsequently, the OCD revoked BVB's authority to transport from all wells and assessed civil penalties.
  11. The evidence shows that Permian and NMOC are record title owners of the leases, and the New Mexico State Land Office has informed the owners that they are responsible for certain oil and gas operations on the leases, including remediation and ensuring wells on the lease are properly plugged and abandoned.

### **CONCLUSIONS OF LAW**

12. Pursuant to 19.15.9.9.B NMAC, Permian must apply to the OCD for approval their Application to change the operator of the Wells without a joint application (a unilateral transfer).
13. OCD has jurisdiction to issue this Order pursuant to NMSA 1978 § 70-2-12.
14. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

### **ORDER**

15. The Application to unilaterally remove BVB as Operator of Record of the Wells is hereby denied.
16. Permian and NMOC shall submit a request to OCD's Legal Director Jesse Tremaine requesting permission to plug and remediate the Wells as a non-Operator of Record.
17. Permian and NMOC shall obtain approval prior to commencing work.
18. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**GERASIMOS RAZATOS  
DIRECTOR (Acting)**

GR/jag

**Date:** 8/28/2024

CASE NO. 23729  
ORDER NO. R-23336

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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](mailto:monica.kuehling@emnrd.nm.gov)
  - South Contact, Gilbert Cordero, 575-626-0830, [gilbert.cordero@emnrd.nm.gov](mailto: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
- 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

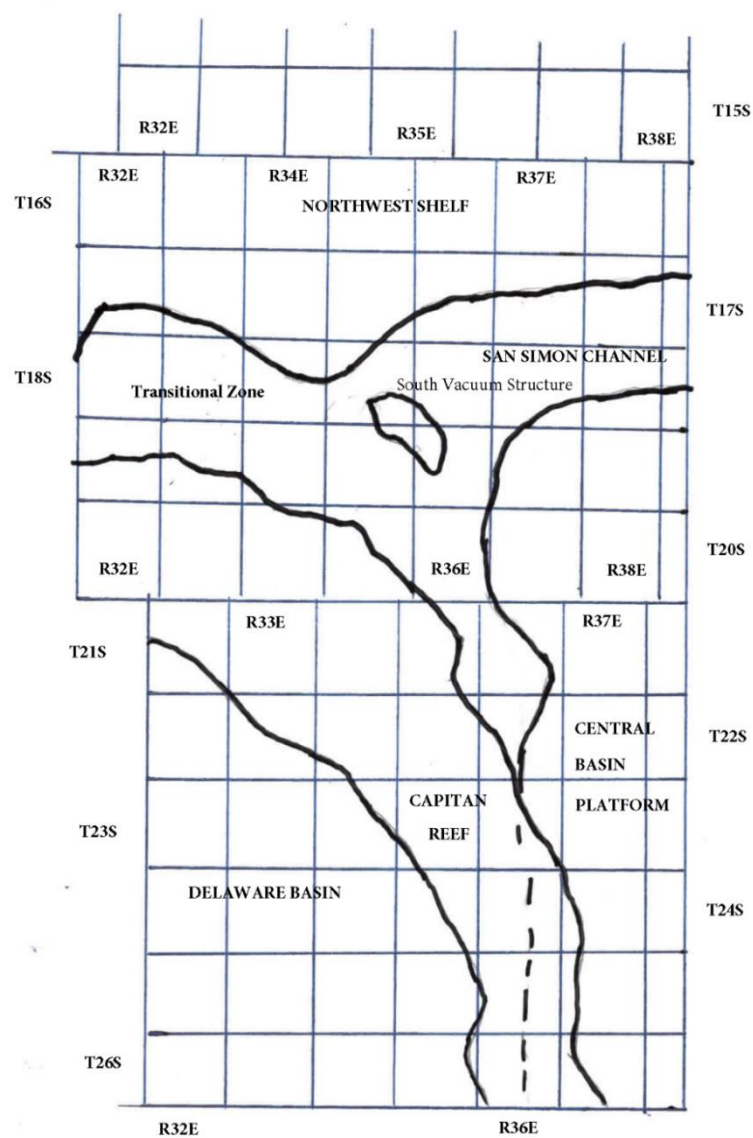


Figure D2 Formation Table

| 100' P'plug to isolate upper and lower fresh water zones (typiailly 2.50' to 350')  |                      |                     |                    |                          |   |  |
|---|----------------------|---------------------|--------------------|--------------------------|---|--|
| NDIthwest Shelf   | C;iptan Reef Area    | Tran5ition Zone     | San Simon Oh.annel | South \lacJUUm Structure | Delaware Basin                                    | Ce<n,tiral Basin Platform  |
| 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 Yeso (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   |
| Paddock (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  
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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

Action 406722

CONDITIONS

|   |   |
|---|---|
| Operator:<br>Permian Resources Operating, LLC<br>300 N. Marienfeld St Ste 1000<br>Midland, TX 79701 | OGRID:<br>372165                                    |
|   | Action Number:<br>406722                            |
|   | Action Type:<br>[C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By  | Condition  | Condition Date |
|-------------|--|----------------|
| loren.diede | Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations.  | 12/19/2024     |
| 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. | 12/19/2024     |
| loren.diede | Attach a photo of the below ground P&A marker and the GPS coordinates of the marker with the C-103P subsequent P&A report.   | 12/19/2024     |