

 **Craig McDonnold**

#5

**From:** "Bobby Stearns" <bobbystearns1@yahoo.com>  
**To:** "E.L. Gonzales" <elidiol.gonzales@state.nm.us>; "Craig McDonnold" <craig@mcdonnold.net>  
**Sent:** Monday, June 06, 2011 10:48 PM  
**Attach:** NM Letter to Stearns re p&a 6-2-11.pdf  
**Subject:** Fw: NM Letter to Bobby Stearns re p&a of McDonnold Operating wells  
To Whom it May Concern,

J & B Well Servicing of Crossroads, NM has been selected to P/A the wells listed in the attached letter  
These wells are scheduled for the end of August 2011.

Thank You,  
Bobby Stearns

--- On Thu, 6/2/11, Teresa Wright <Teresa@McDonnold.net> wrote:

From: Teresa Wright <Teresa@McDonnold.net>  
Subject: NM Letter to Stearns re p&a 6-2-11  
To: bobbystearns1@yahoo.com  
Date: Thursday, June 2, 2011, 2:14 PM

6/7/2011

# McDonnold Operating, Inc.

505 N. Big Spring, Suite 204 · Midland, Texas 79701  
Phone (432) 682-3499 · Fax (432) 682-4823

June 2, 2011

*emailed  
6-2-11*

Mr. Bobby Stearns  
Via email [bobbystearns1@yahoo.com](mailto:bobbystearns1@yahoo.com)

Re: P&A Scheduling and Procedures  
Lea County, NM

Well Name	API No.	ULSTR
Langlie Jack Unit #4	30-025-11174	B-20-24S-37E
Langlie Jack Unit #10	30-025-11177	E-21-24S-37E
Bay Federal #003	30-025-04408	D-35-20S-36E
Red Cloud #002	30-025-30870	M-3-25S-37E
State A 16 #001	30-025-24814	M-16-24S-37E

Please feel free to contact me at (432) 682-3499 if you have any questions or need additional information.

Sincerely,

Craig M. McDonnold  
President

CMM/tw

Submit 1 Copy To Appropriate District  
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

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

COPY

Form C-103  
October 13, 2009

SUNDRY NOTICES AND REPORTS ON WELLS (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.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	WELL API NO. <b>30-025-10738</b>
2. Name of Operator <b>McDonnold Operating, Inc.</b>	5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> Fed <input checked="" type="checkbox"/>
3. Address of Operator <b>505 N. Big Spring Suite 204 Midland TX 79701</b>	6. State Oil & Gas Lease No. <b>NM0141096</b>
4. Well Location Unit Letter <b>E</b> : <b>2310</b> feet from the <b>North</b> line and <b>330</b> feet from the <b>West</b> line Section <b>15</b> Township <b>23S</b> Range <b>37E</b> NMPM <b>Lea</b> County <b>NM</b>	7. Lease Name or Unit Agreement Name <b>Cline Federal</b>
	8. Well Number <b>2</b>
	9. OGRID Number <b>14372</b>
	10. Pool name or Wildcat <b>Langliemattix Trvrs</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

13. 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.

POOH w/ rods & pmp. POOH w/ PKR. Redress PKR. RIH w/  
PKR & Set PKR @ 3350'. RIH w/ pmp. Place on production.

per E.L. 6-30-11  
Computers down  
for a while - transference  
to Cindy, left message  
7-1 left message  
per Paul K. all  
E.L. and Cindy and till

Spud Date:

Rig Release Date:

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

SIGNATURE

TITLE

**President**

DATE

**6-2-11**

Type or print name

**Craig M. McDonnold**

E-mail address:

PHONE:

**432-682-3499**

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

per [unclear]  
Scanned  
7-5-11

Submit 1 Copy To Appropriate District  
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  
October 13, 2009

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

WELL API NO. <b>30-025-10738</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> <b>Fed</b>
6. State Oil & Gas Lease No. <b>NM0141096</b>
7. Lease Name or Unit Agreement Name <b>Cline Federal</b>
8. Well Number <b>2</b>
9. OGRID Number <b>14372</b>
10. Pool name or Wildcat <b>Langliemattix Trvrs</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS  
(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)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator  
**McDonnold Operating, Inc.**

3. Address of Operator  
**505 N. Big Spring, Suite 204 Midland TX 79701**

4. Well Location  
Unit Letter **E** : **2310** feet from the **North** line and **330** feet from the **West** line  
Section **15** Township **23S** Range **37E** NMPM **Lea** County **NM**

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐  
COMMENCE DRILLING OPNS ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

13. 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.

**5-4-11 RU Recco WS. Unseat pmp. POOH w/ rods & pmp. NU BOP.  
Test 2 3/8 tbg. Unseat PKR out of hole. R & R PKR. Test  
tbg 6 1/4. Set PKR @ 3350. R 1H w/ pmp & rods and  
L & T tbg to 500 psi. Held. Put on production.**

Spud Date:

Rig Release Date:

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

SIGNATURE

TITLE **President**

DATE **6-2-11**

Type or print name

**Craig M. McDonnold**

E-mail address.

PHONE: **432-682-3489**

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesa, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-104  
Revised October 15, 2009

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator name and Address McDonnold Operating, Inc. 505 N. Big Spring, Suite 204 Midland, TX 79701		<sup>2</sup> OGRID Number 14372	
<sup>3</sup> API Number 30-025-10738		<sup>4</sup> Pool Name Langliemathix 7rurs	
<sup>5</sup> Property Code NM0141096		<sup>6</sup> Well Number 2	
<sup>7</sup> Reason for Filing Code/ Effective Date Return well to production/59-11		<sup>8</sup> Pool Code	

II. <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot 1 dn	Feet from the	North/South	Feet from the	East/West line	County
E	15	23S	37E		2310	N Line	330	W	Lea

<sup>11</sup> Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot 1 dn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Les Code	<sup>13</sup> Producing Method Code	<sup>14</sup> Gas Connection Date	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date

III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> O/G/W

IV. Well Completion Data

<sup>21</sup> Spud Date 8-26-59	<sup>22</sup> Ready Date	<sup>23</sup> TD 3690	<sup>24</sup> PBDT 3450	<sup>25</sup> Perforations 3382-97	<sup>26</sup> DHC, MC
<sup>27</sup> Hole Size	<sup>28</sup> Casing & Tubing Size	<sup>29</sup> Depth Set	<sup>30</sup> Sacks Cement		

V. Well Test Data

<sup>31</sup> Date New Oil 5-10-11	<sup>32</sup> Gas Delivery Date	<sup>33</sup> Test Date 5-10-11	<sup>34</sup> Test Length 24 hrs.	<sup>35</sup> Tbg. Pressure 25 psi	<sup>36</sup> Csg. Pressure 10 psi
<sup>37</sup> Choke Size 1	<sup>38</sup> Oil	<sup>39</sup> Water 10	<sup>40</sup> Gas		<sup>41</sup> Test Method P

<sup>42</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief  
Signature:

OIL CONSERVATION DIVISION

Approved by

Printed name:  
Craig M. McDonnold  
Title:  
President  
E-mail Address:

Title:

Approval Date:

Date:  
6-2-11  
Phone:  
432-682-3499

Submit 1 Copy To Appropriate District  
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  
October 13, 2009

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

WELL API NO. <b>30-025-30870</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <b>Red Cloud</b>
8. Well Number <b>2</b>
9. OGRID Number <b>14372</b>
10. Pool name or Wildcat <b>Vates 7 rurs</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS  
(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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator  
**McDonald Operating Inc.**

3. Address of Operator  
**505 N. Big Spring, Suite 204, Midland Tx 79701**

4. Well Location  
Unit Letter **M** : **660** feet from the **660 S** line and **660** feet from the **6 W** line  
Section **3** Township **25 S** Range **37 E** NMPM **Lea** County

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER <input type="checkbox"/>	

13. 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.

1. Mireu P&A rig.
2. Spot 25sx plug from 2700' - 2400'.
3. Load hole w/ 12.5#/gal mud laden fluid.
4. Spot 25sx hole from 1300' - 1000'. WOC. Tag plug.
5. Spot 10sx @ Surf.
6. Cut off anchor & install dry hole marker.

Spud Date:

Rig Release Date:

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

SIGNATURE Craig M. McDonald TITLE President DATE 7-1-11  
Type or print name Craig M. McDonald E-mail address: \_\_\_\_\_ PHONE: 432-682-3498  
For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of Approval (if any):

Before

Red Cloud #2  
API: 30-025-30870

8<sup>5</sup>/<sub>8</sub>" 14# @ 356'. Cmt w/  
250 sx. TOC Circ To Surf.

Perfs: 2695'-3015' w/ 27 holes.

4<sup>1</sup>/<sub>2</sub>" 10.5# @ 3193'. Cmt  
w/ 650 sx. TOC Circ To Surf.

District I  
1625 N French Dr, Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S St. Francis Dr, Santa Fe, NM 87505

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

Form C-144 CLEZ  
July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

**Closed-Loop System Permit or Closure Plan Application**

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

**Instructions:** Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.  
Operator: McDonnold Operating, Inc. OGRID #: 14372  
Address: 505 N. Big Spring, Suite 204, Midland, Tx 79701  
Facility or well name: Red Cloud #2  
API Number: 30-025-30870 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr m Section 3 Township 25S Range 37E County: Lea  
Center of Proposed Design: Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: ☐ 1927 ☐ 1983  
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.  
☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC  
Operation: ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A  
☐ Above Ground Steel Tanks or ☒ Haul-off Bins

3.  
**Signs:** Subsection C of 19.15.17.11 NMAC  
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers  
☐ Signed in compliance with 19.15.3.103 NMAC

4.  
**Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC  
**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  
☐ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC  
☐ Previously Approved Design (attach copy of design) API Number: \_\_\_\_\_  
☐ Previously Approved Operating and Maintenance Plan API Number: \_\_\_\_\_

5.  
**Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)  
**Instructions:** Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.  
Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_  
Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_  
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?  
☐ Yes (If yes, please provide the information below) ☒ No  
**Required for impacted areas which will not be used for future service and operations**  
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC  
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC  
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.  
**Operator Application Certification:**  
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.  
Name (Print): Craig M. McDonnold Title: President  
Signature: C. M. McDonnold Date: 7-5-11  
e-mail address \_\_\_\_\_ Telephone: 432-682-3499



7. **OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: \_\_\_\_\_ Approval Date: \_\_\_\_\_

Title: \_\_\_\_\_ OCD Permit Number: \_\_\_\_\_

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17 13 NMAC

*Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.*

☐ Closure Completion Date: \_\_\_\_\_

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

*Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.*

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number \_\_\_\_\_

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

*Required for impacted areas which will not be used for future service and operations*

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print) \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

e-mail address \_\_\_\_\_ Telephone: \_\_\_\_\_

AFTER

10 SK @ Surf.

Red Cloud #2  
API: 30-025-30870

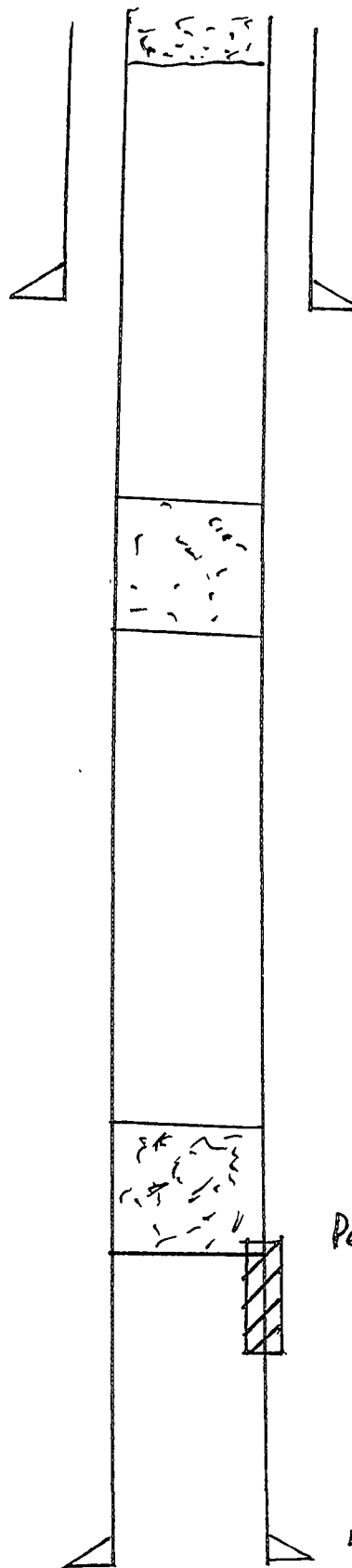
8<sup>5</sup>/<sub>8</sub>" 14# @ 356'. Cmt w/  
250 SK. TOC Circ To Surf.

Cmt Plug 1300'-1000'.

Cmt Plug 2700'-2400'

Perfs: 2695'-3015' w/ 27 holes.

4<sup>1</sup>/<sub>2</sub>" 10.5# @ 3193'. Cmt  
w/ 650 SK. TOC Circ To Surf.



Submit 1 Copy To Appropriate District 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  
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1000 Rio Brazos Rd., Aztec, NM 87410  
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1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
October 13, 2009

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

WELL API NO. <b>30-025-24814</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <b>State A-16</b>
8. Well Number <b>1</b>
9. OGRID Number <b>14372</b>
10. Pool name or Wildcat <b>7 rrrs QN</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS  
(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.)

1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator <b>McDonnold Operating Inc.</b>
3. Address of Operator <b>505 N. Big Spring Suite 204 Midland Tx 79701</b>
4. Well Location Unit Letter <b>m</b> : <b>Q330</b> feet from the <b>S</b> line and <b>660</b> feet from the <b>W</b> line Section <b>16</b> Township <b>24S</b> Range <b>37E</b> NMPM <b>Lea</b> County <b>NM</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. 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.

1. mieu P&A rig.
2. Spot 255x plug from 3450' - 3350'.
3. Load hole w/ 12.5#/gal mud laden fluid.
4. Spot 255x plug 1300' - 1200'. WOC and tag plug.
5. Perf 502 holes @ 460' + fill csg w/ cmt.
6. Cut off anchors + install dry hole marker.

Spud Date:

Rig Release Date:

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

SIGNATURE C. M. McDonnold TITLE President DATE 7-1-11  
Type or print name Craig M. McDonnold E-mail address: \_\_\_\_\_ PHONE: 432-682-3499  
For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of Approval (if any):

Before

State A-16 #1

API # 30-025-24814

8 5/8" 20# @ 410'. cmT  
w/ 260 SX. TOC - Circ To Surf.

CSG LK 1145-1272'.  
Pmp 400 SX + Circ cmT To  
Surf. DO cmT. Would NOT Test.  
Re-Sa2 w/ 100 SX. Tested CSG  
To 300 PSI for 30 min. OK.

Perfs: 3456'-3558'.

5 1/2" 14# @ 3650'. cmT w/  
300 SX. TOC @ 2450' by CBL.

District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-144 CLEZ  
July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

**Closed-Loop System Permit or Closure Plan Application**

*(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

Type of action: ☒ Permit ☐ Closure

**Instructions:** Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.  
Operator: McDonnold Operating Inc. OGRID # 14372  
Address: 505 N. Big Spring Suite 204, Midland Tx 79701  
Facility or well name: State A-16 #1  
API Number: 30-025-24814 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr M Section 16 Township 24S Range 37E County: Lea  
Center of Proposed Design: Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: ☐ 1927 ☐ 1983  
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.  
☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC  
Operation: ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A  
☐ Above Ground Steel Tanks or ☒ Haul-off Bins

3.  
**Signs:** Subsection C of 19.15.17.11 NMAC  
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers  
☐ Signed in compliance with 19.15.3.103 NMAC

4.  
**Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC  
**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  
☐ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC  
☐ Previously Approved Design (attach copy of design) API Number: \_\_\_\_\_  
☐ Previously Approved Operating and Maintenance Plan API Number: \_\_\_\_\_

5.  
**Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)  
**Instructions:** Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.  
Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_  
Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_  
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?  
☐ Yes (If yes, please provide the information below) ☒ No  
**Required for impacted areas which will not be used for future service and operations:**  
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC  
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC  
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.  
**Operator Application Certification:**  
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.  
Name (Print): Craig M. McDonnold Title: President  
Signature: Craig M. McDonnold Date: 7-5-11  
e-mail address: \_\_\_\_\_ Telephone: 432-682-3499

7.  
**OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only)  
**OCD Representative Signature:** \_\_\_\_\_ **Approval Date:** \_\_\_\_\_  
**Title:** \_\_\_\_\_ **OCD Permit Number:** \_\_\_\_\_

8.  
**Closure Report (required within 60 days of closure completion):** Subsection K of 19 15.17 13 NMAC  
*Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.*  
☐ Closure Completion Date: \_\_\_\_\_

9.  
**Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**  
*Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.*  
Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_  
Disposal Facility Name \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_  
Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?  
☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No  
*Required for impacted areas which will not be used for future service and operations:*  
☐ Site Reclamation (Photo Documentation)  
☐ Soil Backfilling and Cover Installation  
☐ Re-vegetation Application Rates and Seeding Technique

10.  
**Operator Closure Certification:**  
I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.  
**Name (Print):** \_\_\_\_\_ **Title:** \_\_\_\_\_  
**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
**e-mail address:** \_\_\_\_\_ **Telephone:** \_\_\_\_\_

After

Fill  $5\frac{1}{2}"$  &  $8\frac{5}{8}"$  w/  
CMT from 460' - Surf.

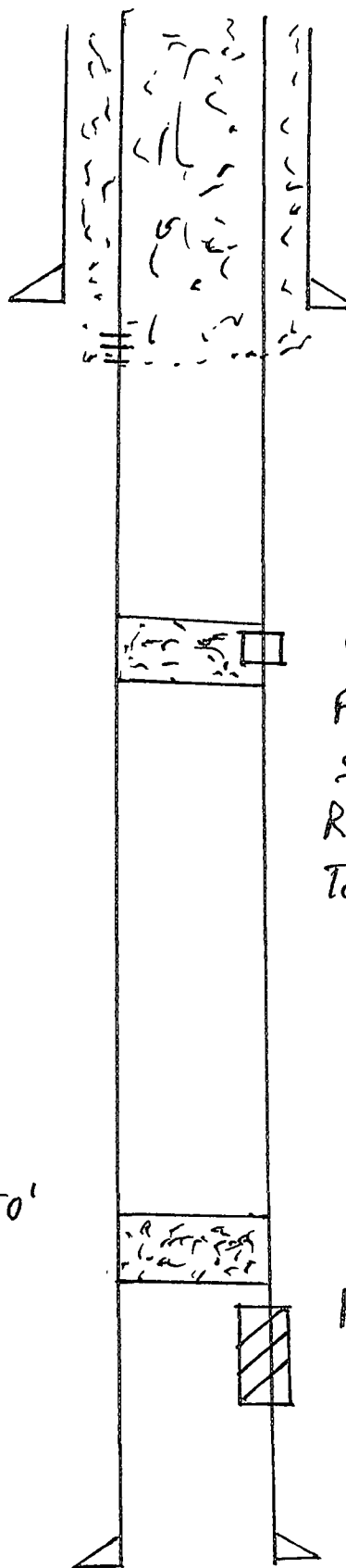
SQ2 holes @ 460'.

CMT Plug  
1300' - 1200'

CMT Plug 3450' - 3350'

State A-16 #1

API # 30-025-24814



$8\frac{5}{8}"$  20# @ 410'. CMT  
w/ 260 SX. TOC - Circ To Surf.

CSG LK 1145-1272'.  
Pmp 400 SX & Circ CMT To  
Surf. DO CMT. Would NOT Test.  
Re-Sa2 w/ 100 SX. Tested CSG  
To 300 PSI for 30 min. OK.

Perfs: 3456' - 3558'.

$5\frac{1}{2}"$  14# @ 3650'. CMT w/  
300 SX. TOC @ 2450' by CBL.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No 1004-0135  
Expires January 31, 2004

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1 Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2 Name of Operator  
**McDonnold Operating Inc.**

3a Address **505 N. 15th Spring, Suite 204**  
**Midland, TX 79701**

3b Phone No. (include area code)  
**432-682-3499**

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

**660' FNL and 660' FWL**  
**D-35-20S-36E, Lea Co. NM**

5 Lease Serial No  
**NMNM07766**

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No  
**Bay Federal #3**

9 APN Well No  
**30-02S-04408**

10 Field and Pool, or Exploratory Area  
**Eumont Y-7rirs QN**

11 County or Parish, State  
**Lea Co. NM**

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

TD 4070'  
Perfs 3855'-3969'  
TOC 699'  
8 5/8" @ 351' w/ 225 sx TOC surf.  
5 1/2" @ 4070' TOC 699'  
CIBP @ 3800' w/ 35' cmt on top.  
Perfs 3087'-3407'

NU 3K BOP  
MIRU P&A rig. POOH w/ PKR.  
Set CIBP @ 3040'. Spot 25sx plug on top.  
Circ hole w/ 12.5#/gal mud laden fluid.  
Perf 502 holes @ 400' & fill 5 1/2" & 8 5/8"  
CSG w/ cmt.

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

**Craig M. McDonnold**

Title **President**

Signature

*Craig M. McDonnold*

Date **6-3-11**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

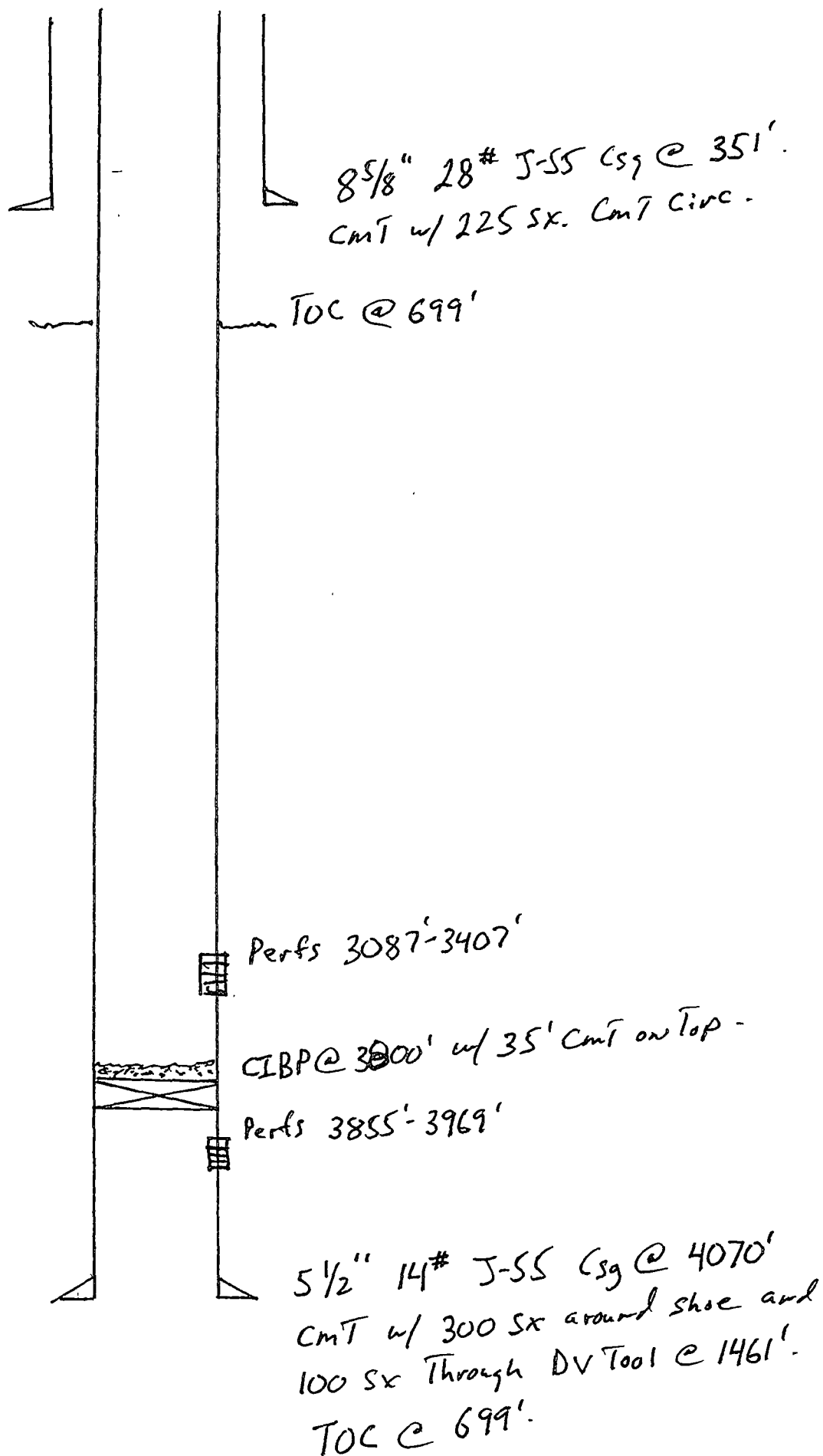
(Instructions on page 2)



Bay Fed #3

30-025-04408

Wellbore schematic - 30-025-04408



BAY Red ->

30-025-04408

Proposed T&H.

Perf SQZ holes @ 400'.

Fill  $8\frac{5}{8}"$  &  $5\frac{1}{2}"$  CSG w/ CMt.

$8\frac{5}{8}"$  28# J-SS CSG @ 351'.  
CMt w/ 225 SX. CMt Circ.

TOC @ 699'

CIBP @ 3040'. Spot 25 SX CMt on Top.

Perfs 3087'-3407'

CIBP @ 3000' w/ 35' CMt on Top.

Perfs 3855'-3969'

$5\frac{1}{2}"$  14# J-SS CSG @ 4070'  
CMt w/ 300 SX around shoe and  
100 SX Through DV Tool @ 1461'.  
TOC @ 699'.