

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

NMOCD Rec'd: 10/18/2020 Form C-103
 Revised July 18, 2013

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

WELL API NO. 30-015-26125
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 EDDY IK STATE
8. Well Number 1
9. OGRID Number 258350
10. Pool name or Wildcat CLAYTON BASIN; YATES-SEVEN RIVERS
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3323' GR

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
GRIZZLY OPERATING, LLC

3. Address of Operator
5847 SAN FELIPE, STE. 3000, HOUSTON, TEXAS, 77057

4. Well Location
 Unit Letter G : 1,980 feet from the NORTH line and 1,980 feet from the EAST line
 Section 2 Township 20S Range 29E NMPM County Eddy

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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Notify OCD 24 hrs. prior to any work done

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. Notify OCD 24 hrs prior to MIRU to P&A.
2. Set CIBP @ 1,450'. Cap w/ 40 sx "C" (Perfs, Yates top) **Test CIBP & Circulate MLF before cementing - WOC & Tag**
3. Perf @ 1,215' & sqz 55 sx 1,105-1,215' (13-3/8" shoe). WOC & tag.
4. Perf @ 500' & sqz 50 sx 400-500' (20" shoe). WOC & tag.
5. Perf @ 100' & circ cmt to surface via 8-5/8" x 13-3/8" x 20" csg ann. Verify cmt to surf behind all strings.
6. RD P&A equipment. Cut off wellhead. Install dry hole marker. Clean location and move off.

Spud Date: Rig Release Date:

****SEE ATTACHED COA's****

MUST BE PLUGGED BY 10/20/2021

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

SIGNATURE Kyle D Zimmermann TITLE Operations Engineer DATE 10/11/2020

Type or print name Kyle Zimmermann E-mail address: kzimmerman@grizzlyenergyllc.com PHONE: 432-202-0145

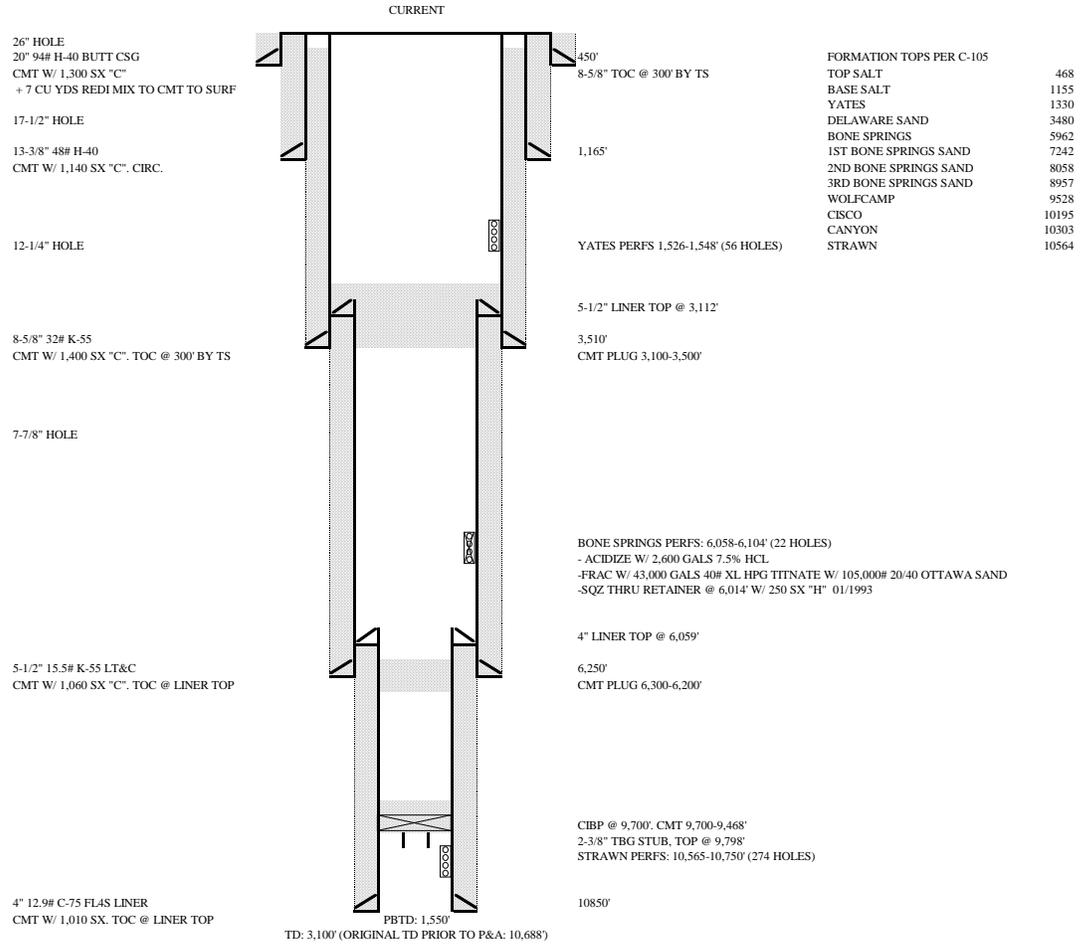
For State Use Only

APPROVED BY: [Signature] TITLE Staff Manager DATE 10/20/2020

Conditions of Approval (if any):

LEASE/WELL: **EDDY IK STATE #1**
 LOCATION 1,980' FNL & 1,980' FEL
 G-SEC 02- T20S-R29E
 CO/ST: EDDY COUNTY, NEW MEXICO
 FIELD: CLAYTON BASIN; YATES-SEVEN RIVERS
 API NO. 30-015-26125

GR 3323
 SPUDDED 9/17/1989
 5/2/2002 RE-ENTRY
 COMPLETED 10/29/1989
 4/1/2001 P&A
 5/10/2002 YATES (RE-ENTRY)
 LAT 32.6043549
 LONG -104.0435257

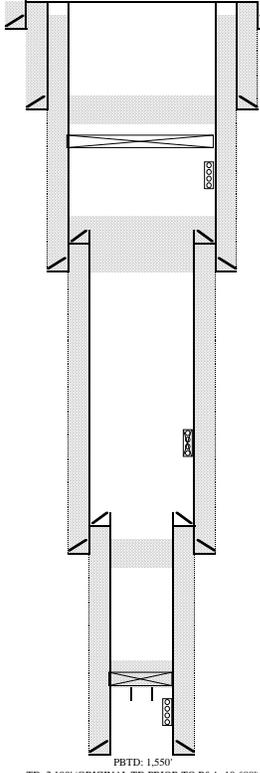


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PROPOSED P&A

26" HOLE
 20" 94# H-40 BUTT CSG
 CMT W/ 1,300 SX "C"
 + 7 CU YDS RED MIX TO CMT TO SURF
 17-1/2" HOLE
 13-3/8" 48# H-40
 CMT W/ 1,140 SX "C", CIRC.
 12-1/4" HOLE
 8-5/8" 32# K-55
 CMT W/ 1,400 SX "C", TOC @ 300' BY TS
 7-7/8" HOLE
 5-1/2" 15.5# K-55 LT&C
 CMT W/ 1,060 SX "C", TOC @ LINER TOP
 4" 12.9# C-75 FLAS LINER
 CMT W/ 1,010 SX, TOC @ LINER TOP



PERF @ 100' & SQZ 50 SX. VERIFY CMT TO SURF BEHIND ALL 3 STRINGS
 450'
 9-5/8" TOC @ 300' BY TS
 PERF @ 500' & SQZ 50 SX 400-500'
 1,165'
 PERF @ 1,215' & SQZ 55 SX 1,105-1,215'. WOC & TAG)
 SET CIBP @ 1,450'. CAP W/ 40 SX (PERFS, YATES TOP)
 YATES PERFS 1,526-1,548' (56 HOLES)
 5-1/2" LINER TOP @ 3,112'
 3,510'
 CMT PLUG 3,100-3,500'
 BONE SPRINGS PERFS: 6,058-6,104' (22 HOLES)
 - ACIDIZE W/ 2,600 GALS 7.5% HCL
 - FRAC W/ 43,000 GALS 40# XL HPG TITNATE W/ 105,000# 20/40 OTTAWA SAND
 - SQZ THRU RETAINER @ 6,014' W/ 250 SX "H" 01/1993
 4" LINER TOP @ 6,059'
 6,250'
 CMT PLUG 6,300-6,200'
 CIBP @ 9,700'. CMT 9,700-9,468"
 2-3/8" TBG STUB, TOP @ 9,798"
 STRAWN PERFS: 10,565-10,750' (274 HOLES)
 10850'
 PBTd: 1,550'
 TD: 3,100' (ORIGINAL TD PRIOR TO P&A: 10,688')

FORMATION TOPS PER C-105
 TOP SALT 468
 BASE SALT 1155
 YATES 1330
 DELAWARE SAND 3480
 BONE SPRINGS 5962
 1ST BONE SPRINGS SAND 7242
 2ND BONE SPRINGS SAND 8058
 3RD BONE SPRINGS SAND 8957
 WOLFCAMP 9528
 CISCO 10195
 CANYON 10303
 STRAWN 10564

CONDITIONS FOR PLUGGING AND ABANDONMENT

OCD - Southern District

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, **Notify NMOCD District Office II at (575)-748-1283 at least 24 hours before beginning work. After MIRU rig will remain on well until it is plugged to surface. OCD is to be notified before rig down. Company representative will be on location during plugging procedures.**

1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.
2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.
3. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD 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 as well as the 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 NMOCD Field inspector.
4. Filing a subsequent C-103 will serve as notification that the well has been plugged.
5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.
6. If work has not begun within 1 Year of the approval of this procedure, an extension request must be file stating the reason the well has not been plugged.
7. Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.
8. Produced water **will not** be used during any part of the plugging operation.
9. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
10. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
11. Class 'C' cement will be used above 7500 feet.
12. Class 'H' cement will be used below 7500 feet.
13. A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged
14. All Casing Shoes Will Be Perforated 50' below shoe depth and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing.

16. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set
17. A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.
18. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, (WOC 4 hrs and tag).
19. No more than 3000' is allowed between cement plugs in cased hole and 2000' in open hole.
20. Some of the Formations to be isolated with cement plugs are: These plugs to be set to isolate formation tops
 - A) Fusselman
 - B) Devonian
 - C) Morrow
 - D) Wolfcamp
 - E) Bone Springs
 - F) Delaware
 - G) Any salt sections
 - H) Abo
 - I) Glorieta
 - J) Yates.
 - K) **Potash**--- (In the R-111-P Area (Potash Mine 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, WOC 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.
21. If cement does not exist behind casing strings at recommended formation depths, the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, WOC and tagged. These plugs will be set 50' below formation bottom to 50' above formation top inside the casing

DRY HOLE MARKER REQUIREMENTS

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least ¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

1. Operator name 2. Lease and Well Number 3. API Number 4. Unit Letter 5. Quarter Section (feet from the North, South, East or West) 6. Section, Township and Range 7. Plugging Date 8. County (SPECIAL CASES)-----AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS

In these areas, 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 NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)

SITE REMEDIATION DUE WITHIN ONE YEAR OF WELL PLUGGING COMPLETION