

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

**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.*

5. Lease Serial No. NMLC065345 **63516**  
6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No. Big Eddy Fed 103

2. Name of Operator Dakota Resources, Inc. (I)

9. API Well No. 30-015-24869-00

3a. Address 4914 N. Midkiff  
Midland, TX 79705

3b. Phone No. (include area code)  
(432) 697-3420

10. Field and Pool or Exploratory Area  
Wildcat

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 10 T21S R28E SESW 660FSL 1980 FWL

11. Country or Parish, State  
Eddy County, NM

**12. CHECK THE 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"/> Hydraulic Fracturing	<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 recomple 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

If proposed workover does not result in economic production, operator will P&A well as follows:

1. POOH w/ 4 1/2" pkr, RIH w/ WL, set CIBP @ 6200', cap w 55 sx Class C
2. Spot 15 Sx Class C from 3450'-3233'
3. Set 4 1/2" CIBP @ 2750'. Cap with 15 Sx Class C, Dump bail.
4. Perf & Sqz 180 Sx Class C @ 498'. Circ to surface.
5. Cut off surface casing 4' BGL. Install dry hole marker.

**APPROVED**

**SUBJECT TO LIKE  
APPROVAL BY STATE**

**Accepted for record - NMOCD**

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**WITNESS**

**NM OIL CONSERVATION  
ARTESIA DISTRICT**

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

Chris M. Morphew

Title President

DEC 04 2017

Signature

*Chris M. Morphew*

Date

*9-20-17*

**RECEIVED**

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

Approved by

*Paul R. Swartz*

*11/20/17*

Title

*TPET*

**BUREAU OF LAND MANAGEMENT**

**CARLSBAD FIELD OFFICE**

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 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.

## **Conditions of Approval**

**Dakota Resources, Inc.**

**Big Eddy - 103, API 3001524869**

**T21S-R28E, Sec 10, 660FSL & 1980FWL**

**November 17, 2017**

- 1. Within 90 days of these conditions of approval for the processed notice of intent signed by Chris M. Morphew 09/20/2017 begin wellbore operations or request an extension.**
- 2. Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location during this workover operation.**
- 3. Over 90 days since approval date have passed with no request for extension of the 04/24/2017 ES # 373552 approved recompletion procedure.**
- 4. Well is in the Capitan Reef area which requires production cement to cover 50' above the Capitan Reef top.**
- 5. Well is in the Medium Cave Karst area which requires two casing strings to be circulated to surface.**
6. Notify 575-361-2822 Eddy Co as work begins. If there is no response leave a voice mail with the API#, workover purpose, and a call back phone number.
7. Surface disturbance beyond the existing pad must have prior approval.
8. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
9. Functional H<sub>2</sub>S monitoring equipment shall be on location.
10. Blow Out Prevention Equipment 2000 (2M) to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels or automatic locking devices) equipment installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) employed when needed for reasonable well control requirements.
11. Created operation waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during any other crew-intensive operations.
12. The BLM PET is to run tbg tally and agree to cement volumes and placement. Sample each plug for cement curing time and tag and/or pressure test as requested by BLM PET witness.
- 13. Cementing procedure is subject to the next three numbered paragraphs.**
14. Mix cement plugs to cover a minimum of 100ft plus 10ft for every 1,000ft to the bottom of the plug, rounding the number of necessary sacks up to the nearest 5 sacks. Never use less than 25sx. Examples: A cement plug set at 8000 in 7" casing would require a min of 35sx. A 25sx plug in 5 ½" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.

15. Class C (< 7500ft) neat cement plugs(s) will be necessary. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) is recommended. Isolation plugs of Class "C" neat cement to be mixed 14.8#/gal, 1.32 ft<sup>3</sup>/sx, 6.3gal/sx water.
16. Minimum requirement for mud placed between plugs is 25 sacks of saltwater gel per 100 barrels in 9 lb/gal brine.
17. **Remove all wellbore obstructions to RIH w/ 3 7/8" rock bit to expected hard tag at about 6400. Wellbore records indicate 7 7/8" open hole to 9225MTD w/o cmt plugs.**
18. Report the PBTD depth to BLM prior to continuing procedure.
19. **After a CIBP is set within 100' of the top perf 6276', pressure test the 4 1/2 csg below 2850 to 500psig.**
20. **Cap the CIBP with a balanced 55sx Class "C" cmt plug, WOC and tag the plug with tbg at 5370' or above.**
21. **Spot a min 25sx cmt plug over the 3399' DV Tool from 3500'. WOC, and tag the plug with tbg at 3130' or above.**
22. **After a CIBP is set within 100' of the top perf 2791' pressure test the 4 1/2 csg above 2791' to 500psig.**
23. **Spot a 25sx Class "C" cmt plug on the CIBP. WOC, and tag the plug with tbg at 2430' or above.**
24. **Perforate at 1350 (below the Capitan Reef top) and sqz with 165sx Class "C" cmt. Slurry calculated to cover behind the 4 1/2" csg and 9 5/8" csg to 1050'. A Pkr set at 850' will need about 8bbl displacement. WOC, and tag the plug with tbg at 1060' or above.**
25. **Perf at 498' or below. Open the 5 1/2", 9 5/8" and 13 3/8" csg surface vent valves. Sqz with 180sx "C" cmt and verify the 9 5/8" x 13 3/8" annulus and 5 1/2" csg cemented to surface.**
26. File **subsequent sundry** Form 3160-5 within 30 days of workover procedures. Include (dated daily) descriptions of the well work, i.e. procedure descriptions and setting depths of each plug in the subsequent sundry.

1.

### **Reclamation Objectives and Procedures**

In Reply Refer To: 1310

## Reclamation Objectives and Procedures

In Reply Refer To: 1310

**Reclamation Objective:** At final abandonment, well locations, production facilities, and access roads must undergo “final” reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as needed. This will apply to well pads, facilities, and access roads. Barricade all access road(s) at the starting point. If reserve pits have not been adequately reclaimed due to salts or other contaminants, propose a plan for BLM approval to provide restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations should have included adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For locations and/or access roads not having an approved plan, or an inadequate plan for surface reclamation the operator must submit a proposal describing the procedures for reclamation. The appropriate time for submittal would be when filing the Notice of Intent, or with the Subsequent Sundry Report of Abandonment on Form 3160-5. The final reclamation goal is to be completed within 6 months of wellbore abandonment.
3. With an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It may be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives.
4. Upon reclamation conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a BLM specialist to inspect the location to verify work was completed as per approved plans.

5. The BLM approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been tentatively reestablished. If the objectives have not been met BLM will be notify the operator of the required corrective actions.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time the full BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the full BLM objectives have been met, submit a Final Abandonment Notice (FAN) Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time a BLM specialist will again inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability for the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos  
Supervisory Environmental Protection Specialist  
575-234-5909, 575-361-2648 (Cell)

Robertson, Jeffery  
Natural Resource Specialist  
575-234-2230, 575-706-1920 (Cell)

Trishia Bad Bear  
Natural Resource Specialist  
575-393-3612, 575-390-2258 (Cell)

Vance Wolf  
Natural Resource Specialist  
575-234-5979

Jesse Bassett  
Natural Resource Specialist  
575-234-5913, 575-499-5114 (Cell)

Brooke Wilson  
Natural Resource Specialist  
575-234-6237

Paul Murphy  
Natural Resource Specialist  
757-234-5975, 575-885-9264 (Cell)

Arthur Arias  
Environmental Protection Specialist  
575-234-6230, 575-499-3378 (Cell)

Henryetta Price  
Environmental Protection Specialist  
575-234-5951, 575-706-2780 (Cell)

Shelly Tucker  
Environmental Protection Specialist  
575-234-5905, 575-361-0084 (Cell)

**Operator: Dakota Resources Incorporated**  
**Surface Lease: LC063516**      **BHL: LC063516**  
**Case No: LC063516**      **Lease Agreement**  
**Subsurface Concerns for Casing Designs: C R, 4csgs MdmCvKst**  
 Well Status: OSI  
 Spud date: 5/13/1984  
 Plug'd Date:  
 Reentry Date:

**Well: BIG EDDY FEDERAL-103**  
**API: 3001524869**  
**@ Srfce: T21S-R28E,10.660s1980w**  
**@ M TD: T21S-R28E,10.660s1980w**  
**Estate: F\FF**  
**CWDW, R of W:**  
**OCD Admn Order, date: Inactive Well(s)**  
**Frmtn, Depths, psig:**

