UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

5.	Lease Serial No.
	NMSF077875

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					NMSF077875 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No.						
								8. Well Name and No. P O PIPKIN 2E			
								2. Name of Operator		LYNCH 9. API Well No.	
					XTO ENERGY INC	nch@xtoenerg	30-045-25105-00-S1				
3a. Address ENGLEWOOD, CO 80155	3b. Phone No. (include area code) Ph: 505-333-3206			10. Field and Pool, or Exploratory BASIN DAKOTA							
4. Location of Well (Footage, Sec., 7	., R., M., or Survey Description				11. County or Parish,	and State					
Sec 8 T27N R10W SWNW 16 36.592390 N Lat, 107.924470				SAN JUAN COUNTY, NM							
12. CHECK APPI	ROPRIATE BOX(ES) TO	O INDICATE	NATURE OF	NOTICE, RI	EPORT, OR OTHE	R DATA					
TYPE OF SUBMISSION	TYPE OF ACTION										
Notice of Intent	☐ Acidize	□ Deep	pen	☐ Product	ion (Start/Resume)	☐ Water Shut-Off					
	☐ Alter Casing	☐ Frac	ture Treat	☐ Reclam	ation	☐ Well Integrity					
☐ Subsequent Report	☐ Casing Repair	□ New	Construction	☐ Recomp	olete	Other					
☐ Final Abandonment Notice	☐ Change Plans	☑ Plug	and Abandon	☐ Tempor	arily Abandon						
\$V	☐ Convert to Injection	☐ Plug Back ☐ Water Dispos		Disposal							
following completion of the involved testing has been completed. Final At determined that the site is ready for fix XTO Energy Inc. proposes to using a Closed Loop System. Per Onshore Order 1 Sec. III.1 that was approved with this we plan/s on record.	pandonment Notices shall be fil- inal inspection.) plug and abandon this we Please see attached Cur D.4.j & Sec. XII, XTO Ene	ed only after all r ell per the atta rrent and Prop ergy is amendi	ched procedure cosed Wellbore	e. XTO will be Diagrams.	olan	NS. DIV DIST. 3					
					OVAL OR ACCEPTA						
SEE A		ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER									
CONDITIO	ONS OF APPROV	AL Notify No prior to ope	MOCD 24 hrs beginning rations	AUTHORIZA ON FEDERA	TION REQUIRED F L AND INDIAN LAN	FOR OPERATIONS IDS					
14. I hereby certify that the foregoing is	Electronic Submission #	NERGY INC,	sent to the Farn	nington							
Name (Printed/Typed) KRISTEN				LATORY ANA	and the same of th						
Signature (Electronic S	Submission)		Date 10/23/2	2015		Will the said					
	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE US	SE						
Approved By JACK SAVAGE Conditions of approval, if any, are attache	not warrant or	TitlePETROLEUM ENGINEER Date 10/			Date 10/23/2015						
ertify that the applicant holds legal or equitable title to those rights in the subject lear which would entitle the applicant to conduct operations thereon.			Office Farmington								

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.







LWA	
MTG	
Approved _	

PLUG AND ABANDONMENT PROCEDURE

December 15, 2014

	P.O. Pipkin #2E
	Basin Dakota
	1680' FNL, 810' FWL, Section 8, T27N, R10W, San Juan County, New Mexico API 30-045-25105 / Lat: N Long: W
lote:	All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.
1.	This project requires the Operator to obtain an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2.	Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
3.	Rods: Yes, No, Unknown Tubing: Yès, No, Unknown, Size, Length Packer: Yes, No, Unknown, Type
	If well has rods or a packer, then modify the work sequence in Step #2 as appropriate. Round trip gauge ring or casing scraper to 6306'.
	NOTE: BLM requires a CBL log to be run on all wells where the cement did not circulate to surface or where a T.S. or CBL log was not previously run. This procedure is prepared with the understanding that it may be modified based on the TOC from the CBL.
4.	Plug #1 (Dakota perforations and top and 2.875" casing shoe, 6286' – 6148'): TIH and set 2.875" wireline set CIBP at 6286'. Load casing with water and circulate well clean. Pressure test casing to 1000#. If casing does not test, then spot or tag subsequent plugs as appropriate. Mix 10 sxs Class B cement above CIBP to isolate the Dakota interval. PUH.
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- Plug #2 (Gallup top, 5500' 5400'): mix 10 sxs Class B cement and spot a balanced plug inside
 casing to cover the Gallup top. PUH.
- 6. Plug #3 (Mancos top, 4640' 4540'): mix 10 sxs Class B cement and spot a balanced plug inside casing to cover the Mancos top. PUH.
- 7. Plug #4 (Mesaverde top: 3386' 3286'): mix 10 sxs Class B cement and spot a balanced plug inside casing to cover the Mesaverde top. PUH.

- 8. Plug #5 (Chacra top: 2870' 2670'): mix 10 sxs Class B cement and spot a balanced plug inside casing to cover the Chacra top. TOH.
- 9. Plug #6 (Pictured Cliffs top, 1615'- 1515'): Perforate 3 squeeze holes through 2-7/8" casing and 4.5" annulus at 1615'. Attempt to establish rate into annulus. PU 2.875" wireline cement retainer and set at 1904'. Establish rate into squeeze holes. Mix and pump 51 sxs Class B cement, squeeze 39 sxs outside the 4.5" x 7.875" casing, 8 sxs in annulus and leave 5 sxs inside 2.875" casing to cover the Pictured Cliffs top. TOH.
- 10. Plug #7 (Fruitland top, 1488' 1388'): Perforate 3 squeeze holes through 2-7/8" casing and 4.5" annulus at 1488'. Attempt to establish rate into annulus. PU 2.875" wireline cement retainer and set at 1438'. Establish rate into squeeze holes. Mix and pump 51 sxs Class B cement, squeeze 39 sxs outside the 4.5" x 7.875" casing, 8 sxs in annulus and leave 5 sxs inside 2.875" casing to cover the Fruitland top. TOH.
- 11. Plug #8 (Kirtland and Ojo Alamo tops, 1088' 839'): Perforate 3 squeeze holes through 2-7/8" casing and 4.5" annulus at 1088'. Attempt to establish rate into annulus. PU 2.875" wireline cement retainer and set at 1038'. Establish rate into squeeze holes. Mix and pump 112 sxs Class B cement, squeeze 96 sxs outside the 4.5" x 7.875" casing, 12 sxs in annulus and leave 9 sxs inside 2.875" casing to cover through the Ojo Alamo top. TOH.
- 12. Plug #9 (Surface plug, 340' Surface): Perforate 3 HSC holes at 340'. Mix and pump approximately 85 sxs cement down the 2.875" casing until good cement returns out annuli and bradenhead. Shut in well and WOC.
- 13. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

P.O. Pipkin #2E

Current

Basin Dakota 1680' FNL, 810' FWL, Section 8, T-27-N, R-10-W,

San Juan County, NM / API #30-045-25105 Today's Date: 12/15/14 __/ Long Spud: 11/8/81 · Completed: 12/16/81 Elevation: 6072' GL 6085' KB 8.625" 24#, Casing set @ 290' 12.25" hole Cement with 315 sxs (Circulated to Surface) Ojo Alamo @ 889' Kirtland @ 1038' Fruitland @ 1438' Pictured Cliffs @ 1904' 4.5" TOC @ unknown, did not circulate 2-7/8" TOC unknown, did not circulate Chacra @ 2820' NOTE: casing leaks 1630' - 2012' (2013) Mesaverde @ 3448' NOTE: casing leaks 3974' - 4038' (2013) Mancos @ 4590' DV Tool @ 4761' 2nd stage: Cement with 1070 sxs Gallup @ 5450' 4.5" TOC unknown, did not circulate External Casing Packer @ 6324' (2013) Dakota @ 6248' 2.875", 6.4#, J-55 Casing set @ 6422' Cement with 150 sxs (288 cf) Dakota Perforations: 6336' - 6474' 4.5", 10.5#, K-55 Casing set @ 6612' 1st stage: Cement with 490 sxs 7.875" hole

TD 6612' PBTD 6566'

P.O. Pipkin #2E Proposed P&A

Basin Dakota

1680' FNL, 810' FWL, Section 8, T-27-N, R-10-W,

San Juan County, NM / API #30-045-25105

_/ Long

Spud: 11/8/81 Completed: 12/16/81 Elevation: 6072' GL

Today's Date: 12/15/14

6085' KB

12.25" hole

Ojo Alamo @ 889'

Kirtland @ 1038'

Fruitland @ 1438'

NOTE: casing leaks 1630' - 2012' (2013)

Pictured Cliffs @ 1904'

Chacra @ 2820'

Mesaverde @ 3448'

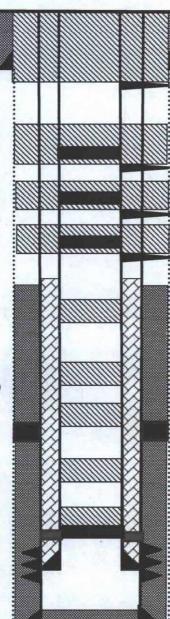
NOTE: casing leaks 3974' - 4038' (2013)

Mancos @ 4590'

Gallup @ 5450'

Dakota @ 6248'

7.875" hole



TD 6612' PBTD 6566'

8.625" 24#, Casing set @ 290' Cement with 315 sxs (Circulated to Surface)

Perforate @ 340'

CR @ 1038'

Plug #9: 340' - 0' Class B cement, 85 sxs

Plug #8: 1088' - 839' Class B cement, 112 sxs: 9 inside, 12 annulus and 96 outside 4.5"

Perforate @ 1088' Plug #7: 1488' - 1388' Class B cement, 51 sxs: CR @ 1438' 5 inside, 8 annulus and 39 Perforate @ 1488' outside 4.5"

Plug #6: 1954' - 1854' CR @ 1904' Class B cement, 51 sxs: 5 inside, 8 annulus and 39 Perforate @ 1954' outside 4.5"

4.5" TOC @ unknown, did not circulate

2-7/8" TOC unknown, did not circulate

Plug #5: 2870' - 2670' Class B cement, 10 sxs

Plug #4: 3498' - 3398' Class B cement, 10 sxs

Plug #3: 4640' - 4540' Class B cement, 10 sxs

DV Tool @ 4761' 2nd stage: Cement with 1070 sxs

> Plug #2: 5500' - 5400' Class B cement, 10 sxs

4.5" TOC unknown, did not circulate

External Casing Packer @ 6324' (2013)

Set CR @ 6286'

Plug #1: 6286' - 6186' Class B cement, 10 sxs

2.875", 6.4#, J-55 Casing set @ 6422' Cement with 150 sxs (288 cf) Dakota Perforations: 6336' - 6474'

4.5", 10.5#, K-55 Casing set @ 6612' 1st stage: Cement with 490 sxs

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT FARMINGTON DISTRICT OFFICE

6251 COLLEGE BLVD. FARMINGTON, NEW MEXICO 87402

Attachment to notice of Intention to Abandon: Re: Permanent Abandonment Well: P.O. Pipkin #02E

CONDITIONS OF APPROVAL

- 1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
- 2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
- 3. The following modifications to your plugging program are to be made:
 - a) Set plug #3 (4668-4568) ft. to cover the Mancos top. BLM picks top of Mancos at 4618 ft.
 - b) Set plug #4 (3500-3400) ft. to cover the Mesaverde top. BLM picks top of Cliff House at 3450 ft.
 - Set plug #6 (1973-1873) ft. inside/outside to cover the Pictured Cliffs top. BLM picks top of Pictured Cliffs at 1923 ft.
 - d) Set plug #7 (1658-1558) ft. inside/outside to cover the Fruitland top. BLM picks top of Fruitland at 1608 ft.

H₂S has not been reported at this location, however, low concentrations of H₂S (3 ppm GSV) have been reported in the SESW/4 Sec. 8, 27N, 10W.

Operator will run a CBL to verify cement top. Submit the electronic copy of the log for verification to the following addresses: jwsavage@blm.gov jwsavage@blm.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.

GENERAL REQUIREMENTS FOR PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES FARMINGTON FIELD OFFICE

- 1.0 The approved plugging plans may contain variances from the following <u>minimum general</u> requirements.
 - 1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.
 - 1.2 Requirements may be added to address specific well conditions.
- 2.0 Materials used must be accurately measured. (densimeter/scales)
- 3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.
 - 3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.
- 4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.
 - 4.1 The cement shall be as specified in the approved plugging plan.
 - 4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
 - 4.3 Surface plugs may be no less than 50' in length.
 - 4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.
 - 4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.
 - 4.6 A cement bond log (CBL) is required to be ran if one had not been previously ran or cement did not circulate to surface during the primary cement job or subsequent cement job.

- 5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.
 - 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.
 - 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.
 - 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
 - 5.4 If perforations are required below the surface casing shoe, a 30 minute minimum wait time will be required 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. Short or long term venting may be necessary to evacuate trapped gas. If only a water flow occurs with no associated gas, shut well in and record the pressures. Contact the Engineer as it may be necessary to change the cement weight and additives.
- 6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.
 - 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
 - 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.
- 7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H₂S.
- 8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.
- 9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.
- 10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.