

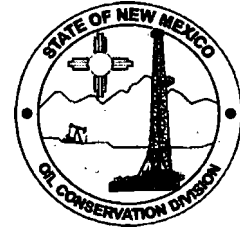
State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 4/4/2019

Well information:

30-045-24830 EATON FEDERAL #001E
SOUTHLAND ROYALTY COMPANY LLC

Application Type:

- ☒ P&A ☐ Drilling/Casing Change ☐ Location Change
☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84; Submit Gas Capture Plan form prior to spudding or initiating recompletion operations)
☐ Other:

Conditions of Approval:

- Notify NMOCD 24hrs prior to beginning operations.
- Add a plug from 4405'-4305' to cover the Mancos top. OCD Mancos pick @ 4355'
- Add a plug from 2190'-2090' to cover the Chacra. OCD Chacra pick @ 2140'.
- Extend plug #4 to 1600'-1230' to cover the Fruitland top. OCD Fruitland pick @ 1280'.
- Extend Surface Plug 670'-0' to cover the Kirtland and Ojo Alamo tops. OCD Kirtland pick @ 620' Ojo Alamo pick @ 340'

NMOCD Approved by Signature

4/12/19
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.
NMNM020498A

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 28. Well Name and No.
EATON FEDERAL 1E

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

SOUTHLAND ROYALTY COMPANY LLC

Contact: ERIC KITTINGER

Email: EKITTINGER@MSPARTNERS.COM

9. API Well No.

30-045-24830

3a. Address

400 W 7TH ST
FORT WORTH, TX 76102

3b. Phone No. (include area code)

Ph: 817-334-8302

10. Field and Pool or Exploratory Area
BASIN DAKOTA

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

Sec 15 T28N R11W 1070FNL 870FEL

11. County or Parish, State

SAN JUAN 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 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 must 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 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.

SRC requests approval to plug and abandon the Eaton Federal 1E.

Attached are the proposed procedure, WBDs, proposed Reclamation Plan, and Noxious Weed form.

**SUBMIT CBL TO THE
AGENCIES FOR REVIEW AND
APPROVAL**DISTRICT III
APR 11 2019
NMOC

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #460297 verified by the BLM Well Information System For SOUTHLAND ROYALTY COMPANY LLC, sent to the Farmington Committed to AFMSS for processing by ALBERTA WETHINGTON on 04/08/2019 ()	
Name (Printed/Typed) CONNIE BLAYLOCK	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 04/04/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>Dave Mankiewicz</u>	Title <u>AFM</u>	Date <u>4/9/19</u>
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.	Office <u>FFO</u>	

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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

NMOCDA

P&A PLANNED PROCEDURE

Eaton Federal 1E

1. MIRU.
2. Run a casing scraper to 5,990'
3. Set CIBP @ 5,970'
4. Spot 16 sx Class B Cement on top of plug. (est'd TOC @ 5,770). WOC. Tag TOC.
5. Spot balanced cement plug from 5,000' – 5,200' with 16 sx Class B cement. WOC. Tag TOC.
6. Spot balanced cement plug from 3,000' – 3,200' with 16 sx Class B cement. WOC. Tag TOC.
7. Spot balanced cement plug from 1,300' – 1,600' with 24 sx Class B cement. WOC. Tag TOC.
8. Perforate 3 holes @ 350'.
9. Pump 126 sx Class B Cement to fill annulus up through bradenhead and production casing string to surface. If unable to circulate, top off as needed.
10. Cut off wellhead below surface casing flange. Install P&A marker.



Southland Royalty Company

CURRENT

Prepared by: SThompson
Date: 01/09/2019

KB = 5,568 ft
GL = 5,556 ft
API# 30-045-24830

Eaton Federal #1E
San Juan County, NM

Spud Date: 03/28/1981
Well First Delivered: 08/23/1981

TD – 6,300 ft MD

12 1/4" hole to 295'.
Surface Csg: 6 jts 8 5/8" 24#/ft H-40
Setting Depth: 294 ft

Cement
250sx Class B w/ 3% CaCl
Circulated cement to surface.

7 7/8" hole to 6,300'.
Production Csg: 154 jts 4.50" 10.5#/ft K-55
Setting Depth: 6,300 ft
Stage collars set at: 4,860' & 1,710'

Cement:
First Stage: 350sx 50/50 POZ mix w/ 2% gel, 10% salt
Second Stage: 250sx 50/50 POZ mix w/ 8% gel, 10 lb. gilsonite/sx & 50sx class "B"
Third Stage: 150sx 65-35-12 with 12 1/2# gilsonite/sx & 100sx 50/50 POZ w/ 2% gel
Circulated cement, TOC from temp survey found at 650'

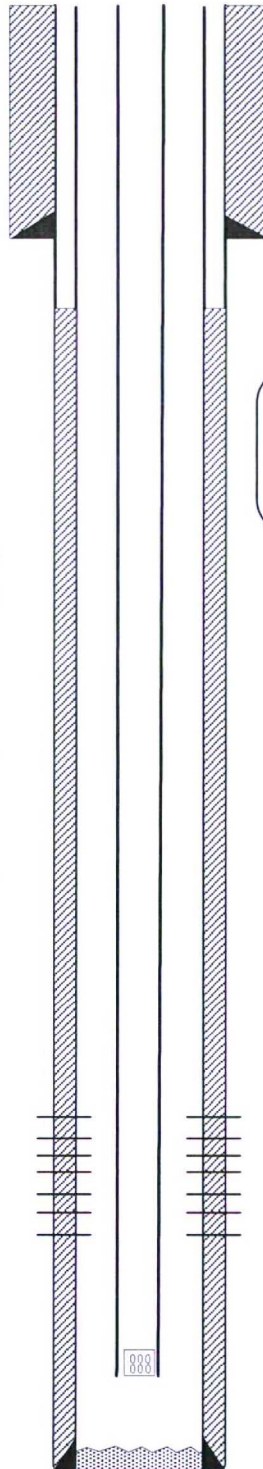
Perfs
0.42" 1spf 23 holes
6013', 14, 15, 34, 35, 36, 37, 93, 95, 97, 99, 6101', 03, 05, 07, 38, 40, 42, 44, 46, 48, 50, 52

Frac
6013' - 6152'
1500 gal 15% HCL, 90,000#, 20-40 sand, 75,000 gal, 30# cross-linked gel
All fluid contained 2% KCL & biocide

Prod Tbg 03/26/2007:
2 3/8" 4.7# J-55 tbg
15' MA, SN, 84 jts Tbg., 1 – 1.1' sub
EOT=6,150' KB ; SN=6,118' KB

Ojo Alamo: 403 ft
Kirtland: 517 ft
Fruitland Coal: 1325 ft
Pictured Cliffs: 1566 ft
Chacra: 2525 ft
Cliff House: 3100 ft
Point Lookout: 3885 ft
Gallup: 5152 ft
Greenhouse (Base): 5972 ft
Dakota: 6010 ft

Dakota Perfs: 6013', 14, 15, 34, 35, 36, 37, 93, 95, 97, 99, 6101', 03, 05, 07, 38, 40, 42, 44, 46, 48, 50, 52



PBTD: 6,259 ft MD



Southland Royalty Company

PROPOSED P&A

KB = 5,568 ft
GL = 5,556 ft
API# 30-045-24830

Spud Date: 03/28/1981
Well First Delivered: 08/23/1981

Eaton Federal #1E San Juan County, NM

TD – 6,300 ft MD

12 1/4" hole to 295'.
Surface Csg: 6 jts 8 5/8" 24#/ft H-40
Setting Depth: 294 ft

Cement
250sx Class B w/ 3% CaCl
Circulated cement to surface.

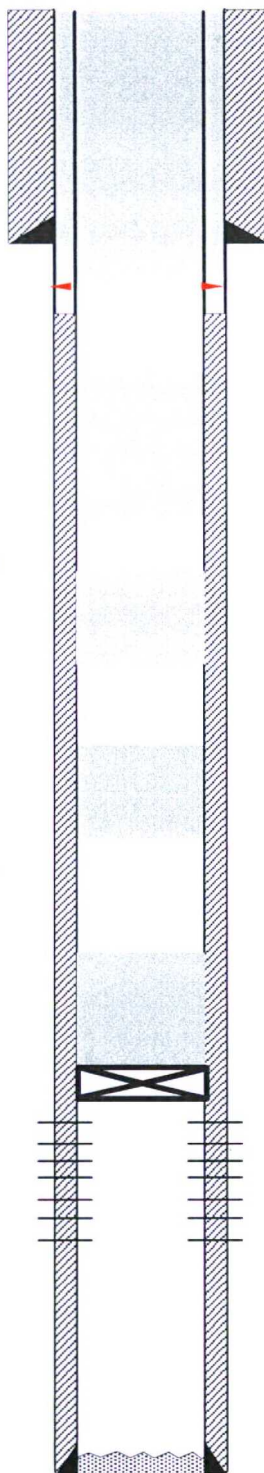
7 7/8" hole to 6,300'.
Production Csg: 154 jts 4.50" 10.5#/ft K-55
Setting Depth: 6,300 ft
Stage collars set at: 4,860' & 1,710'

Cement:
First Stage: 350sx 50/50 POZ mix w/ 2% gel, 10% salt
Second Stage: 250sx 50/50 POZ mix w/ 8% gel, 10 lb. gilsonite/sx & 50sx class "B"
Third Stage: 150sx 65-35-12 with 12 1/2# gilsonite/sx & 100sx 50/50 POZ w/ 2% gel
Circulated cement,
TOC at 650' by TS

Perfs
0.42" 1spf 23 holes
6013', 14, 15, 34, 35, 36, 37, 93, 95, 97, 99, 6101', 03, 05, 07, 38, 40, 42, 44, 46, 48, 50, 52

Frac
6013' - 6152'
1500 gal 15% HCL, 90,000#, 20-40 sand, 75,000 gal, 30# cross-linked gel
All fluid contained 2% KCL & biocide

Dakota Perfs: 6013', 14, 15, 34, 35, 36, 37, 93, 95, 97, 99, 6101', 03, 05, 07, 38, 40, 42, 44, 46, 48, 50, 52



PBDT: 6,259 ft MD

PLUG 5:

Perf 3 holes @ 350'
95 sx cement in casing annulus & 31 sx cement inside 4.5" casing. Bring all cement to surface.

PLUG 4:

24 sx Cement from
1,300' - 1,600'

PLUG 3:

16 sx Cement from
3,000' - 3,200'

PLUG 2:

16 sx Cement from
5,000' - 5,200'

PLUG 1:

Set CIBP @ 5,970'
Top w/ 16 sx Cmt.
TOC @ 5,770'

Ojo Alamo: 403 ft
Kirtland: 517 ft
Fruitland Coal: 1325 ft
Pictured Cliffs: 1566 ft
Chacra: 2525 ft
Cliff House: 3100 ft
Point Lookout: 3885 ft
Gallup: 5152 ft
Greenhouse (Base): 5972 ft
Dakota: 6010 ft

P&A RECLAMATION PLAN
Eaton Federal #1E

General Notes:

- Southland Royalty will comply with the requirements in accordance with the approved Sundry Notice associated with this submittal.
- Southland Royalty will notify the BLM at least 48 hours prior to commencing reclamation earthwork.
- Southland Royalty will notify the BLM at least 48 hours prior to commencing with seeding application.
- Underground production piping on the well site will be removed or abandoned-in-place.
- If present, all Southland Royalty power poles, risers, rectifiers, solar panels, and radio equipment will be removed. Cathodic groundbeds will be plugged and abandoned.
- Rig anchors found on site will be removed.
- Disturbance will be limited to the well site footprint and access road boundaries.
- Surface equipment and trash, if any, will be removed.
- Gravel will be used as fill material at the base of the cut slope or on a nearby lease road as road-base.
- The P&A marker will be permanent and comply with NMOCD regulations.

Well Site Reclamation:

- Mature healthy vegetation on the site perimeter will be left to the extent practical.
 - Salt Cedar growth in cut will be removed.
- Fill material on the location will be used to reclaim the site to near original and natural topography as is practical. A bulldozer and trackhoe will be used to push/pull in the location edges to remove features to more closely approximate the natural contours.
- Natural drainage patterns will be established when possible and practical.
- The well pad and surrounding area are hilly and comprised of sandy loam. Stormwater and erosion control BMPs, if needed, will be built where applicable.
- All disturbed areas will be seeded in accordance with the FFO Bare Soil Reclamation Procedure C.
- The pad will be ripped, scarified, or disked to a depth adequate for establishing a suitable root zone.
- Prior to seeding, the disturbed areas will be left with a rough surface to facilitate moisture and seed retention.
- Harvest's risers and meter run will be removed. Pipeline exiting location will be cut and capped in a location that will not interfere with reclamation.

Access Road Reclamation:

- The associated access road will be left intact as access to co-located Bayless location is needed.

Revegetation:

The planned initial seed mixture and application rates for the Badlands Community identified during the site visit will be as follows. The seed application rates may be adjusted according to various methods of application.

Species	Select		Lbs/acre (PLS)*
Fourwing Saltbush	X	Pick two out of four	4.0
Shadscale	X		2.0
Winterfat			2.0
Morman Tea			2.0
Indian Ricegrass	X	Pick four out of seven	5.0
Alkali sacaton	X		.25
Bottlebrush squirreltail			4.0
Sand Dropseed	X		.5
Blue Grama	X		2.0
Galleta			4.0
Siberian Wheatgrass			3.0
Small flower globemallow	X	Pick one out of two	.25
Narrow Leaf Penstemon			.25
TOTAL			14.0

* Minimum if drill seeded. Double this rate if broadcast or hydroseeded.

- Seeding will be broadcast so the rates will be doubled and a rake or harrow will be used to incorporate the seed into the soil.
- Seed mixtures will be certified weed-free and the seeding records (bag labels) or other official documentation will be available to the BLM prior to seeding, upon request.
- Seeding will occur as soon as reasonably possible following completion of earthwork activities and timed for successful germination.
- The need for soil amendments is not expected or proposed.

Weed Management:

- Southland Royalty's objective is to implement an integrated weed management program to control weed populations and establish desirable vegetation.
- No noxious weeds were noted during the onsite visit.
- If needed, weed management and control will be performed in an environmental conscious manner by a properly licensed contractor and within compliance of federal and state laws and regulations.

Monitoring:

- Southland Royalty will submit a Sundry Notice informing the BLM the earthwork and seeding are completed and requesting a joint inspection of the site.
- After approval of the earthwork and seeding, the BLM in collaboration with Southland Royalty will establish a line point intercept transect.
- After establishment of adequate vegetation, Southland Royalty will read the line point intercept transect and take photos of the site. This information will be submitted with a Sundry Notice (FAN) requesting approval of the reclaimed location.
- Any fencing installed to assist with re-vegetation will be removed once there is an agreement from the BLM that the vegetation percent cover standard has been obtained.

Attachments:

- Noxious Weed Form

Onsite Noxious Weed Form

If noxious weeds are found during the onsite, fill out form and submit to FFO weed coordinator

Operator Southland Royalty Surveyor(s) Randy McKee

Well Name and Number Eaton Federal #1E Date: 3/28/2019

Location: Township, Range, Section T: 28N R: 11W S: 15

Location of Project NAD 83 Decimal Degrees Lat: 36.66628 Long: -107.99656

Class A Noxious Weed - Check Box if Found

<input type="checkbox"/>	Alfombrilla	<input type="checkbox"/>	Diffuse knapweed	<input type="checkbox"/>	Hydrilla	<input type="checkbox"/>	Purple starthistle	<input type="checkbox"/>	Yellow toadflax.
<input type="checkbox"/>	Black henbane	<input type="checkbox"/>	Dyer's woad	<input type="checkbox"/>	Leafy spurge	<input type="checkbox"/>	Ravenna grass	<input type="checkbox"/>	
<input type="checkbox"/>	Camelthorn	<input type="checkbox"/>	Eurasian watermilfoil	<input type="checkbox"/>	Oxeye daisy	<input type="checkbox"/>	Scotch thistle	<input type="checkbox"/>	
<input type="checkbox"/>	Canada thistle	<input type="checkbox"/>	Giant salvinia	<input type="checkbox"/>	Parrotfeather	<input type="checkbox"/>	Spotted knapweed	<input type="checkbox"/>	
<input type="checkbox"/>	Dalmatian toadflax	<input type="checkbox"/>	Hoary cress	<input type="checkbox"/>	Purple loosestrife	<input type="checkbox"/>	Yellow starthistle	<input type="checkbox"/>	

Class B Noxious Weed-Check Box if Found

<input type="checkbox"/>	African rue	<input type="checkbox"/>	Perennial oenotherweed	<input type="checkbox"/>	Russian knapweed	<input type="checkbox"/>	Tree of heaven
<input type="checkbox"/>	Chicory	<input type="checkbox"/>	Musk thistle	<input type="checkbox"/>	Poison hemlock	<input type="checkbox"/>	
<input type="checkbox"/>	Halogeton	<input type="checkbox"/>	Malta starthistle	<input type="checkbox"/>	Teasel	<input type="checkbox"/>	

Comments: No noxious weeds were observed.

FFO Representative: 

sign and date

Operator Representative 

sign and date

3/28/2019