

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC030174B
2. Name of Operator PPC OPERATING COMPANY LLC		6. If Indian, Allottee or Tribe Name
Contact: GREG BRYANT E-Mail: GREG.BRYANT@BASICENERGYSERVICES.COM		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 1500 INDUSTRIAL BLVD SUITE 304 ABILENE, TX 79602	3b. Phone No. (include area code) Ph: 432-563-3355	8. Well Name and No. WH RHODES B FEDERAL NCT-1 23 ✓
9. API Well No. 30-025-32097-00-S1 ✓		10. Field and Pool or Exploratory Area RHODES
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T26S R37E SWNW 2583FNL 55FWL ✓		11. County or Parish, State LEA COUNTY, NM

HOBBS OCD
RECEIVED
MAY 30 2017

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/I
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans <input checked="" type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Aban
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

INT TO PA PMX
P&A NR _____
P&A R _____

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.

- MIRU. ND WH, NU BOP. POOH w/ Prod equipment (if necessary)
- RIH Tbg - Tag existing CIBP @ 3128'. Circ hole w/ MLF
- Spot 50sx cmt @ 3128'-2684'. WOC-Tag *Tag @ 2684 or less above Base Salt.*
- PUH to 1400' - Spot 40sx cmt to 1040'. WOC-Tag *T salt 1330*
- POOH Tbg. ND BOP. Pump 15sx cmt @ 100' to surface
- POOH. Top off well. RDMO. Cut off WH & anchors. Install P&A marker.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #369165 verified by the BLM Well Information System
For PPC OPERATING COMPANY LLC, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 03/09/2017 (17PP0351SE)**

Name (Printed/Typed) GREG BRYANT	Title AGENT
Signature (Electronic Submission)	Date 03/08/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
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 _____		

APPROVED
MAY 15, 2017
[Signature]

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

FOR RECORD ONLY
MW/OCD 05/30/2017

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Copy of W H Rhodes B Federal NCT 1 #23 Wellbore Diagram_rev TR.xlsx

LEASE & WELL NO. Rhodes, W.H. -B- Fed. NCT-1 #23
 FIELD NAME Rhodes Yates Seven Rivers
 LOCATION 2583' FEL & 55' FWL, Sec. 26, T-26S, R-37E

FORMER NAME n/a
 COUNTY & STATE Lea County, NM
 API NO. 30-025-32097

K.B. ELEV. 2994'
 GROUND LEVEL 2984'

CONDUCTOR CASING
 SIZE 13-3/8" WEIGHT 48.0# DEPTH 40'
 GRADE WC-40 SX. CMT. REDIMIX TOC @ SURFACE

SURFACE CASING
 SIZE 8-5/8" WEIGHT 24.0# DEPTH 1090'
 GRADE WC-50 SX. CMT. 750 sx TOC @ CIRC'D

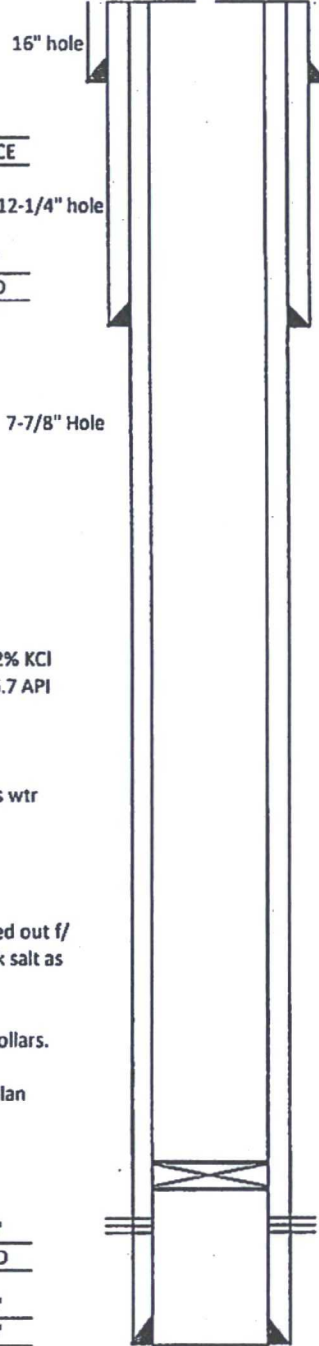
WELL HISTORY

SPUD DATE: 9/19/1993
 RR DATE: 9/24/1993
 COMPLETION DATE: 10/5/1993

- 10/93 Perf'd 3178-3206', 4 JSPF, 112 holes. Frac'd w/ 42,000 gals XLG 2% KCl w/ 204,000# 12/20 sand. IP'd 50 bopd x 11 mcf d x 479 bwpd, 36.7 API
- 07/94 Acidized w/ 6,000 gals 15% NEFE w/ ball sealers
 Pmax=4100psi, Pmin=500psi, ISIP=350psi, AIR = 3 BPM
 Pumped scale squeeze=4 drums Techni-hib 793 mixed in 45 bbls wtr
 Cleaned out formation sand f/ 3202'-3338'
- 08/09 HIT. Found hole in joint above SN.
- 07/12 HIT. Scanned tbg out, 2-Y, 9-B, 89-G, 4-R, 104 total joints. Cleaned out f/ 3250'-3300'. Acidized w/ 3000 gals 15% HCl 80/20 w/ 1500# rock salt as diverter on 3-stages acid and 2-block.
- 02/15 HIT. Found hole on jt #99, MHMJ was pitted, changed 6 pitted collars.
- 08/15 Pulled well for rod part, tbg in bad condition, swabbed all wtr, plan to T/A well with CIBP @ 3128'

PRODUCTION CASING
 SIZE 5-1/2" WEIGHT 15.5# DEPTH 3350'
 GRADE WC-50 SX. CMT. 900 sx TOC @ CIRC'D
 PBTD@ 3338'
 TD@ 3375'

CURRENT COMPLETION



Formation Tops MD	
Rustler	1107'
Salado	1330'
Tansill	2734'
Yates	2877'
Seven Rivers	3247'

Depth	Degrees
296'	0.25
796'	0.75
1047'	1.00
1419'	2.00
1790'	2.00
2128'	2.00
2436'	1.75
2750'	1.75
3245'	1.25
3335'	1.75

CIBP @ 3128', tested to 500#

Yates/Seven Rivers
 3178'-3206'

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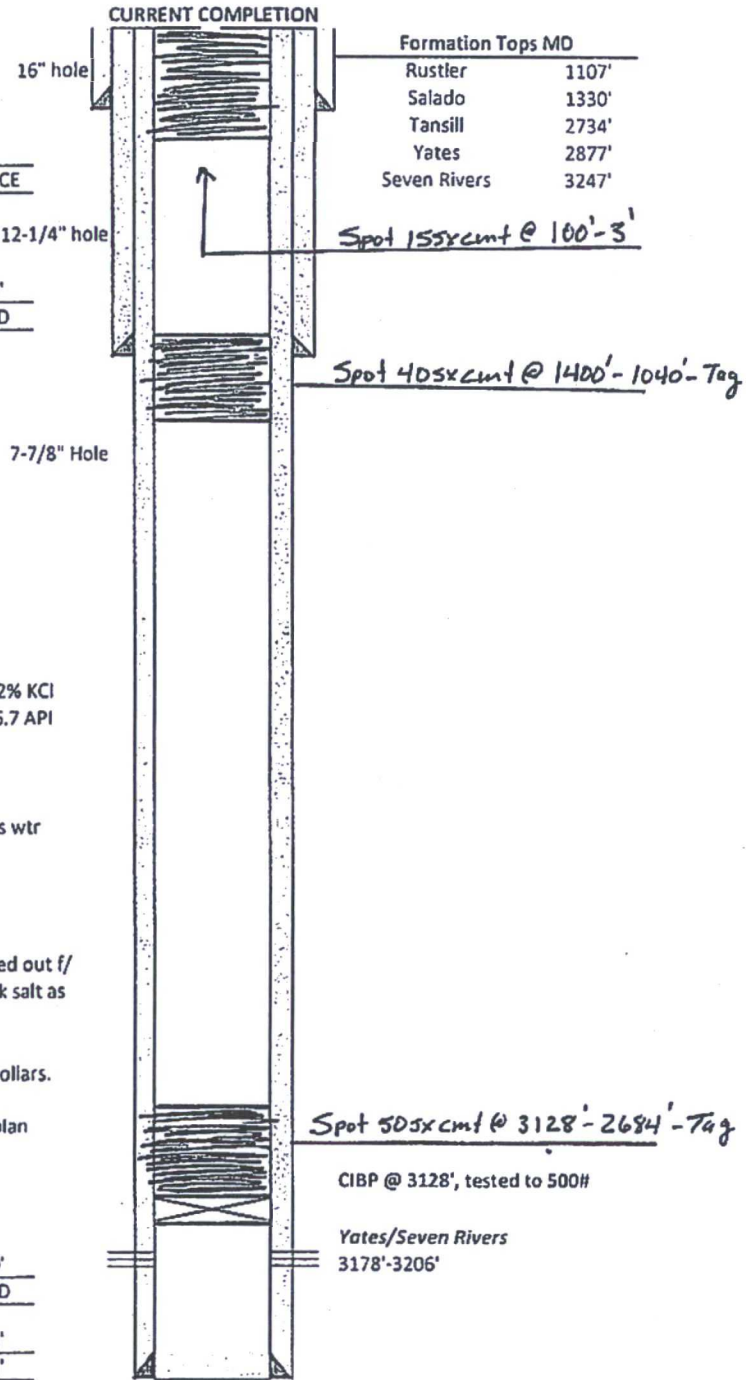
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 TD@ 3375'



Conditions of Approval

PPC Operating Company LLC
WH Rhodes B NCT-1 #23, API 3002532097
T26S-R37E, Sec 28, 2583FNL & 55FWL
May 15, 2017

- 1. Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location during this workover operation.**
2. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15.
3. Subject to like approval by the New Mexico Oil Conservation Division.
4. Notify 575-393-3612 Lea Co as work begins. Plugging procedures are to be witnessed. If there is no response leave a voice mail with the API#, workover purpose, and a call back phone number.
5. Surface disturbance beyond the existing pad must have prior approval.
6. 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.
7. Functional H₂S monitoring equipment shall be on location.
8. 3000 (3M) Blow Out Prevention Equipment 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) equipment shall be 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.) shall be employed when needed for reasonable well control requirements.
9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations 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.
10. The BLM PET witness 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.
- 11. Cementing procedure is subject to the next three numbered paragraphs.**
12. 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.
13. Class H > 7500ft & C < 7500ft) cement plugs(s) will be necessary. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is recommended. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and "H" to be mixed 16.4#/gal, 1.06ft³/sx, 4.3gal/sx water.
14. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.

15. File **subsequent sundry** Form 3160-5 within 30 days of workover procedures.
16. Wellbore plugging is to be accomplished within 90 days of approval.

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)