Form 3160-5 (June 2015)

UNITED STATES

HOBBS OCD

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

BUREAU OF LAND MANAGEMENT			5	5. Lease Serial No.		
SUNDRY N Do not use this f	OTICES AND REPO	DRTS ON WELLS to drill or to re-enter PD) for such pro	Y 08201	NMP 5. If Indian, Allottee or T	NM 072477 ribe 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. Dolly #1		
2. Name of Operator Jay Management Company, LLC				9. API Well No. 30-025-22370		
3a. Address 1001 West Loop South Houston, TX 77027	3b. Phone No. (include area code) 10. Field and Pool or E: (713) 621-6785 Wolfcamp					
4. Location of Well (Footage, Sec., T.,R 1980' FSL & 1980' FEL of SEC 17		1	11. Country or Parish, State Lea, NM			
12. CHE	CK THE APPROPRIATE B	OX(ES) TO INDICATE NATI	JRE OF NOTIC	E, REPORT OR OTHE	R DATA	
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent	Acidize Alter Casing	Deepen Hydraulic Fracturir	=	oduction (Start/Resume) Water Shut-Off clamation Well Integrity		
Subsequent Report	Casing Repair Change Plans	New Construction Plug and Abandon	=	complete Other Imporarily Abandon		
Final Abandonment Notice	Convert to Injection	Plug Back	Water	Water Disposal		
the Bond under which the work wil	Illy or recomplete horizontal I be perfonned or provide the ons. If the operation results i tices must be filed only after B" tubing and CIBP. Set C	ly, give subsurface locations and Bond No. on file with BLM/ n a multiple completion or rectal requirements, including results.	nd measured and BIA. Required so completion in a no clamation, have	d true vertical depths of a subsequent reports must lew interval, a Form 3160 been completed and the t casing. Held 500 PSI	all pertinent markers and zones. Attach be filed within 30 days following 0-4 must be filed once testing has been operator has detennined that the second (Notified Jim/BLM).	
09/24/2018 RIH w/tubing. Pres Pull tubing to 6594 09/25/2018 to 10/09/2018 Fish 10/10/2018 Cut tubing @5100' 10/11/2018 RIH w/tubing. Pres	sure test casing. Held 75/ '. WOC. RIH w/wireline ar- ing operation on tubing ar- (Per James & Jim/BLM). sure test casing. Held 50/	0 PSI, RIH tubing to 7350', ' nd tag plug @ 6594', TOOH nd packer (Per Jim/BLM), L TOOH w/tubing, 1494' of 2	Spot 25 sx clas w/wireline. Una Inable to fish tu 3/8" tubing w/ \$ 5044' (Per Ji	is H cement (Per Jim/F lable to TOOH w/tubin lubing and packer (Noti 4-1/2" packer left in the lim/BLM). TOOH w/wir	BLM). g. (Notified Jim/BLM). ified James and Jim/BLM). he hole (Notified Jim/BLM).	
10/12/2018 RIH w/wireline. Ta 10/15/2018 Attempt to release 10/16/2018 RIH w/wireline. Cu RIH w/wireline. Pe 10/17/2018 RIH w/tubing and f 10/18/2018 Circulate 35 sx cla	g plug @ 4976'. TOOH w packer fail. RIH wwirelin t tubing @ 3058' (Per Jim ff @ 3050' (Per Jim/BLM) Packer to 2685'. Attempt t ss C cement & displace c	wireline. Pull tubing to 3444 e. Tag cement in the tubing (/BLM). TOOH w/wireline. To TOOH w/wireline. to SQZ. ement to 2900' (Per_liny/BL)	.' RIH w/wirelin @ 3066' TOOH DOH w/tubing. M). WOC. TOO	ne. Perf @ 3744' SQZ H w/wireline (Notified , 386' of 2-3/8" tubing & DH w/tubing & packer.	Jim/BLM). & 4-1/2" packer left in hole.	
10/19/2018 RIH w/tubing. Tag. 10/20/2018 RIH w/tubing. Tag. 11/02/2018 Cut wellhead and	plug @ 2332' Pull tubing plug @ 1735' TOOH w/tu	RIH w/wireline Perf @184 bing RIH wireline Perf @ 4	0_TOOH.w/wir 23'. TOOH.w/v	reline. Attempt to SQZ	. Spot 35 sx (Per Jim). WOC ement to surface (Per Jim).	

RECLAMATION 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) **ATTACHED District Manager** Clay Griffin Title Signature SPACE FOR FEDERAL OR STATE OFICE USE Approved by NOV 29 2018 Title Conditions of approval, if any, are attached. Approval of this notice does not warrant or McKinner certify that the applicant holds legal or equitable title to those rights in the subject lease Office BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE 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.

(Instructions on page 2)

F NMOCD 5-31-19

FOR RECORD ONLY

THICH States Department of the Interior



BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 B. Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. 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 predisturbance 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, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- 1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include 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 wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have 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 would 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. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the 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 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 the BLM specialist will 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 of 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 Petroleum Engineering Tech 575-234-5909, 575-361-2648 (Cell)

Arthur Arias Environmental Protection Specialist 575-234-6230

Henryetta Price Environmental Protection Specialist 575-234-5951

Shelly Tucker Environmental Protection Specialist 575-234-5979

Trishia Bad Bear, Hobbs Field Station Natural Resource Specialist 575-393-3612