

Well Name: BGS AU TRACT #1	Well Location: T18S / R29E / SEC 7 / TR 1 / SWNW /	County or Parish/State: EDDY / NM
Well Number: 4	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMLC028772A	Unit or CA Name: BALLARD GRAYBURG SA	Unit or CA Number: NMNM68291X
US Well Number: 3001510081	Well Status: Producing Oil Well	Operator: TANDEM ENERGY CORPORATION

Accepted for record – NMOCD gc 10/4/2022

Notice of Intent

Sundry ID: 2692504

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 09/14/2022

Time Sundry Submitted: 12:20

Date proposed operation will begin:

Procedure Description: Tandem Energy Corporation plans to plug this well in accordance with the attached procedure and any agreed modifications there in to

Surface Disturbance

Is any additional surface disturbance proposed?: No

Oral Submission

Oral Notification Date: Sep 7, 2022

Oral Notification Time: 12:00 AM

Contacted By: Chris Sanders

NOI Attachments

Procedure Description

DOC_20220914121956.PDF

Well Location: T18S / R29E / SEC 7 / TR 1 / SWNW /

County or Parish/State: EDDY / NM

Well Number: 4

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMLC028772A

Unit or CA Name: BALLARD GRAYBURG SA

Unit or CA Number: NMNM68291X

US Well Number: 3001510081

Well Status: Producing Oil Well

Operator: TANDEM ENERGY CORPORATION

Conditions of Approval

Specialist Review

BALLARD_GRAYBURG_SAN_ANDRES_UNIT_004X_Revised_PA_Procedure_20220922155607.pdf

BLM Point of Contact

BLM POC Name: EBRU U BARRAZA

BLM POC Title: null

BLM POC Phone: 5752345719

BLM POC Email Address: EBARRAZA@BLM.GOV

Disposition: Approved

Disposition Date: 09/22/2022

Signature: Ebru Barraza

CONFIDENTIAL

Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 LC 028772 A

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1 Type of Well

Oil Well Gas Well Other

2. Name of Operator **TANDEM ENERGY CORPORATION**

3a. Address **5065 WESTHEIMER RD
HOUSTON, TX 77056**

3b Phone No. (include area code)
(713) 987-7310

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

8 Well Name and No. #1-4

9 API Well No **30-015-10081**

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
1810' FNL & 500' FWL Sec. 7, T-18S, R-29E

10 Field and Pool or Exploratory Area
Loco Hills-Qn-GB-SA

11. Country or Parish, State
Eddy, 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 recomplete 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 recompletion 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.)

Tandem Energy Corporation plans to plug this well in accordance with the attached procedure and any agreed modifications there in to.

**Bureau of Land Management
RECEIVED**

SEP - 7 2022

**Carlsbad Field Office
Carlsbad, NM**

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

Chris Sanders

IT Manager
Title

Signature



Date

09/01/2022

THE 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

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)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Edu U. Barraza

Tandem Energy

Plug And Abandonment Procedure

Ballard Grayburg San Andres Unit #004x

1810' FNL & 500' FWL, Section 7, 18S, 29E

Eddy County, NM / API 30-015-10081

1. Hold pre-job safety meeting. Comply with all NMOCD, BLM safety and environmental regulations. Test rig anchors prior to moving in rig if not rigged to base beam.
2. Check casing, tubing, and Bradenhead pressures.
3. Remove existing piping on casing valve. RU blow lines from casing valves and begin blowing down casing pressure. Kill well as necessary. Ensure well is dead or on a vacuum.
4. ND wellhead and NU BOP. Function test BOP.
5. P/U 4-1/2" bit or casing scraper on 2-3/8" work string and round trip as deep as possible above top perforation at 2,492'.
6. P/U 4-1/2" CR, TIH and set CR at +/- 2,442'. Pressure test tubing to 1000 psi. Sting out of CR. Load hole, and pressure test casing to 800 psi. If casing does not test, then spot or tag subsequent plugs as appropriate. POOH w/ tubing.
7. RU wireline and run CBL with 500 psi on casing from CR at 2,442' to surface to identify TOC. Adjust plugs as necessary for new TOC. Email log copy to

Brandon Powell at Brandon.powell@state.nm.us upon completions of logging operations.

8. Rig up to pump cement down tubing. Pump water to establish rate down tubing.
9. Circulate wellbore with 9.5 ppg salt gel.

NOTE: All Plugs Include 100% excess outside casing and 50% Excess inside casing

Type III cement compressive strength shall be same as Class C cement

10. Plug 1 (**Perforations and Grayburg Formation Top 2,442'-2,050', 25 Sacks Type III Cement**)

Mix 25 sx Type III cement and spot a balanced plug inside casing to cover the San Andres perforations and formation top.

PLUG 1: Set CIBP at 2,442' (50 ft above open perms). Pressure Test CIBP. Spot 25 sacks of Type III/Class C cement from 2,442'- 2300'. WOC & Tag

11. Plug 2 (**Rustler Formation Top and Casing Shoe 370'- Surface, 99 Sacks Type III Cement**)

Attempt to pressure test the bradenhead annulus to 300 psi; note the volume to load. If BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 99 sx cement and spot a balanced plug from 370' to surface, circulate good cement out of casing valve. TOH and LD tubing. Shut well in and WOC. If BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing from 370' and the annulus from the squeeze holes to surface. Shut in well and WOC.

SURFACE PLUG: Perf 370'. Sqz 110 sx Class C cement to Surface, in-out.

12. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and restore location per BLM stipulations.

**Dry Hole Marker:
See attached COAs**

**T18S, R29E, Section 07
Karst: Low**

Bru U. Barraza

Existing Wellbore Diagram

Tandem Energy Corporation
Ballard Grayburg San Andres Unit #004x
API: 30-015-10081
Eddy County, New Mexico

Surface Casing

8.625" 21.9# @ 152 ft
OH: 10'

Formation

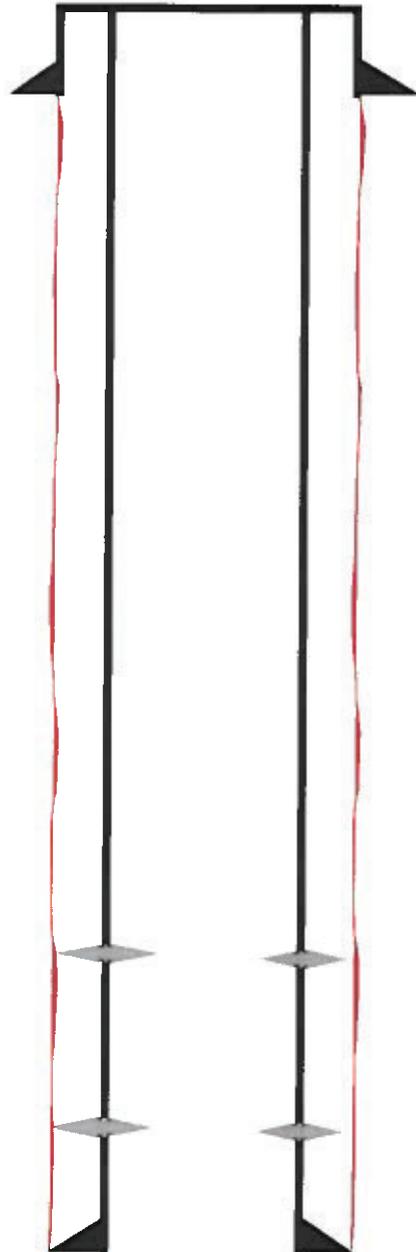
Rustler - 320'
Grayburg - 2487'
Premier - 2602'
Lovington - 2820'

Perforations

2492 feet - 2834 feet

Production Casing

4.5" 11.6# @ 2878 feet
OH: 6"



Proposed Wellbore Diagram

Tandem Energy Corporation
Ballard Grayburg San Andres Unit #004x
API: 30-015-10081
Eddy County, New Mexico

Surface Casing

8.625" 21.9# @ 152 ft
OH: 10'

Formation

Rustler - 320'
Grayburg - 2487'
Premier - 2602'
Lovington - 2820'

Plug 2

370 feet - Surface
370 foot plug
99 Sacks of Type III Cement

Plug 1

2442 feet - 2050 feet
392 foot plug
25 sacks of Type III Cement

Retainer @ 2442'

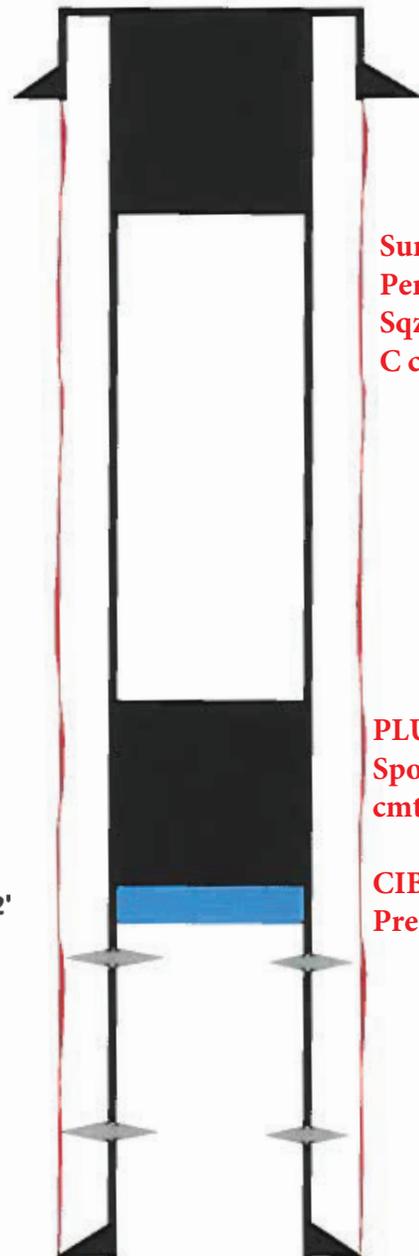
4 1/2" @ 2878', 175 sx
Estimated TOC = 717'

Perforations

2492 feet - 2834 feet

Production Casing

4.5" 11.6# @ 2878 feet
OH: 6"



Surface Plug:
Perf @ 370' &
Sqz 110 sx Class
C cement in-out

PLUG #1:
Spot 25 sx Class C
cmt. WOC & Tag

CIBP @ 2,442'
Pressure Test CIBP

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds). A weep hole shall be left in the metal plate or casing or within the marker. The weep hole should NOT be covered by cement.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 146937

CONDITIONS

Operator: TANDEM ENERGY CORPORATION 5065 Westheimer Rd Houston, TX 77056	OGRID: 236183
	Action Number: 146937
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
gcordero	None	10/4/2022