Office	State of New Me		Form C-103
<u>District I</u> – (575) 393-6161 1625 N. French Dr., Hobbs, NM 88240 District II – (575) 748-1283	Energy, Minerals and Natu	iral Resources	Revised July 18, 2013 WELL API NO.
<u>District II</u> – (575) 748-1283 811 S. First St., Artesia, NM 88210	OIL CONSERVATION		30-005-60654 5. Indicate Type of Lease
District III – (505) 334-6178 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Fran		STATE STATE
<u>District IV</u> – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM 87505	Santa Fe, NM 87	7505	6. State Oil & Gas Lease No.
SUNDRY NOTIO (DO NOT USE THIS FORM FOR PROPOSA DIFFERENT RESERVOIR. USE "APPLICA		UG BACK TO A	 Lease Name or Unit Agreement Name O'Brien Fee 19
	Gas Well 🗌 Other		8. Well Number 004
 Name of Operator Canyon E&P 			9. OGRID Number 269864
 Address of Operator 251 O'Conner Ridge Blv, Suite 25 	55, Irving, TX 75038		10. Pool name or Wildcat Cato; San Andres
4. Well Location Unit Letter L 1	650 feet from the S	line and 660 fact t	from the W line
Section 19	Township 08S	Range 29E	NMPM County Chaves
Section 19	11. Elevation (Show whether DR,		
	11. Elevation (Show whether DR,	, <i>KKD</i> , <i>K</i> 1, <i>UK</i> , <i>etc.</i>	
12. Check A	ppropriate Box to Indicate N		Report or Other Data
	PLUG AND ABANDON	REMEDIAL WOR	
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DR	
PULL OR ALTER CASING		CASING/CEMEN	
DOWNHOLE COMMINGLE			
CLOSED-LOOP SYSTEM		OTHER:	
	k). SEE RULE 19.15.7.14 NMAC		d give pertinent dates, including estimated date mpletions: Attach wellbore diagram of
NMOCD plans to plug this we	ell in accordance with the attached	procedure and any	agreed modifications thereto.
ESTIMATED START DATE	E 9/1/22		
			SEE ATTACHED CONDITIONS
			OF APPROVAL
Spud Date:	Rig Release Da	ate:	
Spud Date:	Rig Release Da	ate:	
Spud Date:			e and belief.
	bove is true and complete to the be		e and belief DATE 10/13/22
hereby certify that the information a	bove is true and complete to the be 	est of my knowledg	DATE 10/13/22

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Proposed Wellbore Diagram

Canyon E&P Company O'Brien Fee 19 #004 API: 30-005-60654 Chaves County, New Mexico

<u>Surface Casing</u> 8.625" 20# @ 124 ft OH: 11"

<u>Plug 4</u> 174 feet - surface 174 foot plug 45 Sacks of Type III Cement

<u>Plug 3</u> 944 feet - 694 feet 250 foot plug

25 Sacks of Type III Cement

Plug 2

1582 feet - 1332 feet 250 foot plug 25 Sacks of Type III Cement

Plug 1

2641 feet - 1916 feet 725 foot plug 75 sacks of Type III Cement <u>Formation</u> Yates - 894 feet Queens - 1532 feet San Andres - 2016 feet

Retainer @ 2641 feet

Perforations 2691 feet - 2694 feet

Production Casing 5.5" 14# @ 2806 feet OH: 7.875



Canyon E&P Company

Plug And Abandonment Procedure

O'Brien Fee 19 #004

1650' FSL & 660' FWL, Section 19, T8S, R29E

Chaves County, NM / API 30-005-60654

- 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 5-1/2" bit or casing scraper on 2-3/8" work string and round trip as deep as possible above top perforation at 2,691'.
- 6. P/U 5-1/2" CR, TIH and set CR at +/- 2,641'. 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 2,641' to surface to identify TOC. Adjust plugs as necessary for new TOC. Email log copy to

Brandon Powell at <u>Brandon.powell@state.nm.us</u> 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

10. Plug 1 (San Andres Perforations and Formation Top 2,641'-1,916', 75 Sacks Type III Cement)

Mix 75 sx Type III cement and spot a balanced plug inside casing to cover the San Andres perforations and formation top.

11. Plug 2 (Queen Formation Top 1,582'-1,332', 25 Sacks Type III Cement)

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

12. Plug 3 (Yates Formation Top 944'-694', 25 Sacks Type III Cement)

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

13. Plug 4 (Surface Casing Shoe 174'-Surface, 45 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 45 sx cement and spot a balanced plug from 174' 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 174' and the annulus from the squeeze holes to surface. Shut in well and WOC.

14. 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.

CONDITIONS OF APPROVAL FOR PLUGGING AND ABANDONMENT OCD - Southern District

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, Notify NMOCD District Office I (Hobbs) at (575)-263-6633 at least 24 hours before beginning work. After MIRU rig will remain on well until it is plugged to surface. OCD is to be notified before rig down.

Company representative will be on location during plugging procedures.

1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.

2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.

3. Trucking companies being used to haul oilfield waste fluids to a disposal - commercial or private- shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.

4. Filing a subsequent C-103 will serve as notification that the well has been plugged.

5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can +be released.

6. If work has not begun within 1 Year of the approval of this procedure, an extension request must be file stating the reason the well has not been plugged.

7. Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.

8. Produced water will not be used during any part of the plugging operation.

9. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.

10. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.

11. Class 'C' cement will be used above 7500 feet.

12. Class 'H' cement will be used below 7500 feet.

13. A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged

14. All Casing Shoes Will Be Perforated 50' below shoe depth and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing.

16. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set

17. A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.

18. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, (WOC 4 hrs and tag).

19. No more than 3000' is allowed between cement plugs in cased hole and 2000' in open hole.

20. Some of the Formations to be isolated with cement plugs are: These plugs to be set to isolate formation tops

- A) Fusselman
- B) Devonian
- C) Morrow
- D) Wolfcamp
- E) Bone Springs
- F) Delaware
- G) Any salt sections
- H) Abo
- I) Glorieta
- J) Yates.

K) Potash---(In the R-111-P Area (Potash Mine Area),

A solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, WOC 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.

21. If cement does not exist behind casing strings at recommended formation depths, the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, WOC and tagged. These plugs will be set 50' below formation bottom to 50' above formation top inside the casing.

DRY HOLE MARKER REQ.UIRMENTS

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least ¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

- 1. Operator name
- 2. Lease and Well Number
- 3. API Number
- 4. Unit letter
- 5. Quarter Section (feet from the North, South, East or West)
- 6. Section, Township and Range
- 7. Plugging Date
- 8. County

SPECIAL CASES -----AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)

SITE REMEDIATION DUE WITHIN ONE YEAR OF WELL PLUGGING COMPLETION

Canyon E&P Company

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Existing Wellbore Diagram

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Formation Yates - 894 feet Queens - 1532 feet San Andres - 2016 feet

Perforations 2691 feet - 2694 feet

Production Casing 5.5" 14# @ 2806 feet OH: 7.875

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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

COMMENTS

Operator:	OGRID:
J.A. Drake Well Service Inc.	330485
607 W Pinon	Action Number:
Farmington, NM 87401	172637
	Action Type:
	[C-103] NOI Plug & Abandon (C-103F)

COMMENTS

Created By		Comment Date
plmartinez	DATA ENTRY PM	1/6/2023

Page 13 of 14

Action 172637

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

Operator:	OGRID:
J.A. Drake Well Service Inc.	330485
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CONDITIONS

Created By	Condition	Condition Date
kfortner	See attached COA	1/5/2023

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CONDITIONS

Action 172637