

U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

<b>Well Name:</b> FEDERAL 1-17	<b>Well Location:</b> T22S / R37E / SEC 17 / NESW /	<b>County or Parish/State:</b> LEA / NM
<b>Well Number:</b> 03	<b>Type of Well:</b> OIL WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM89872	<b>Unit or CA Name:</b>	<b>Unit or CA Number:</b>
<b>US Well Number:</b> 300253855000S2	<b>Well Status:</b> Producing Oil Well	<b>Operator:</b> CONTANGO RESOURCES LLC

Accepted for record –NMOCD gc2/8/2024

**Notice of Intent**

**Sundry ID:** 2768010

**Type of Submission:** Notice of Intent

**Type of Action:** Plug and Abandonment

**Date Sundry Submitted:** 01/03/2024

**Time Sundry Submitted:** 02:18

**Date proposed operation will begin:** 01/03/2024

**Procedure Description:** Description of Procedure: 1. Pull rods & tbg. Set 5-1/2" CIBP @ 6,615'. Dump bail 35' Class C cmt on top (Abo perfs). 2. Set 5-1/2" CIBP @ +/-6,488'. Pressure test csg to 500 psi for 30 minutes. Run CBL from +/- 2,602' to surface. 3. Circ well w/ 9.5 ppg WBM. Spot 25 sxs Class C cmt on top (Drinkard perfs). 4. Spot 25 sxs Class C cmt from 5,022' - 5,122', WOC & tag (Glorieta). 5. Spot 45 sxs Class C cmt from 3,473' - 3,870', WOC & tag (San Andres, Grayburg & DV Tool). 6. Spot 35 sxs Class C cmt from 2,603' - 2,901', WOC & tag (Yates & Seven Rivers). 7. Spot 25 sxs Class C cmt from 1,031' - 1,208', WOC & tag (Anhydrite & Surf Csg Shoe). 8. Circulate 25 sxs Class C cmt from 200' to surface (Surface Plug). 7. Cut off wellhead, verify cmt to surface, weld on dry hole marker.

**Surface Disturbance**

**Is any additional surface disturbance proposed?:** No

**NOI Attachments**

**Procedure Description**

Federal\_1\_17\_3\_\_\_Proposed\_WBD\_20240103141755.pdf

Federal\_1\_17\_3\_\_\_Current\_WBD\_20240103141741.pdf

Federal\_1\_17\_3\_\_\_3160\_5\_\_\_NOI\_P\_A\_Signed\_20240103141717.pdf

Well Name: FEDERAL 1-17

Well Location: T22S / R37E / SEC 17 / NESW /

County or Parish/State: LEA / NM

Well Number: 03

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM89872

Unit or CA Name:

Unit or CA Number:

US Well Number: 300253855000S2

Well Status: Producing Oil Well

Operator: CONTANGO RESOURCES LLC

### Conditions of Approval

#### Specialist Review

2768010\_\_Federal\_1\_17\_3\_\_COA\_AND\_PROCEDURE\_20240203103001.pdf

### Operator

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: KRISTY POLK

Signed on: JAN 03, 2024 02:18 PM

Name: CONTANGO RESOURCES LLC

Title: Regulatory Analyst

Street Address: 1717 SOUTH BOULDER SUITE 900

City: TULSA

State: OK

Phone: (918) 748-3349

Email address: KRISTY.POLK@CONTANGO.COM

### Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

### BLM Point of Contact

BLM POC Name: KEITH P IMMATTY

BLM POC Title: ENGINEER

BLM POC Phone: 5759884722

BLM POC Email Address: KIMMATTY@BLM.GOV

Disposition: Approved

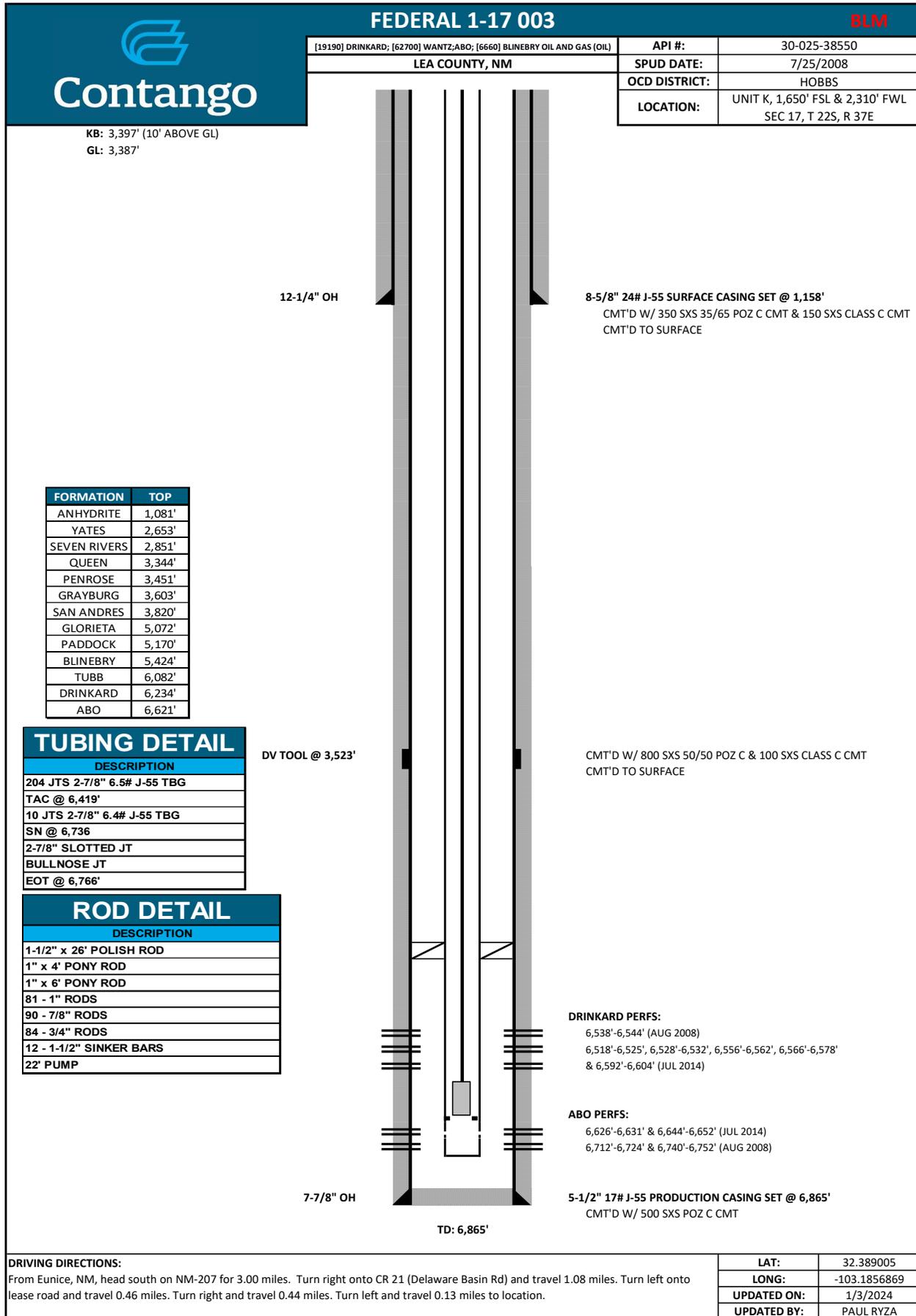
Disposition Date: 02/03/2024

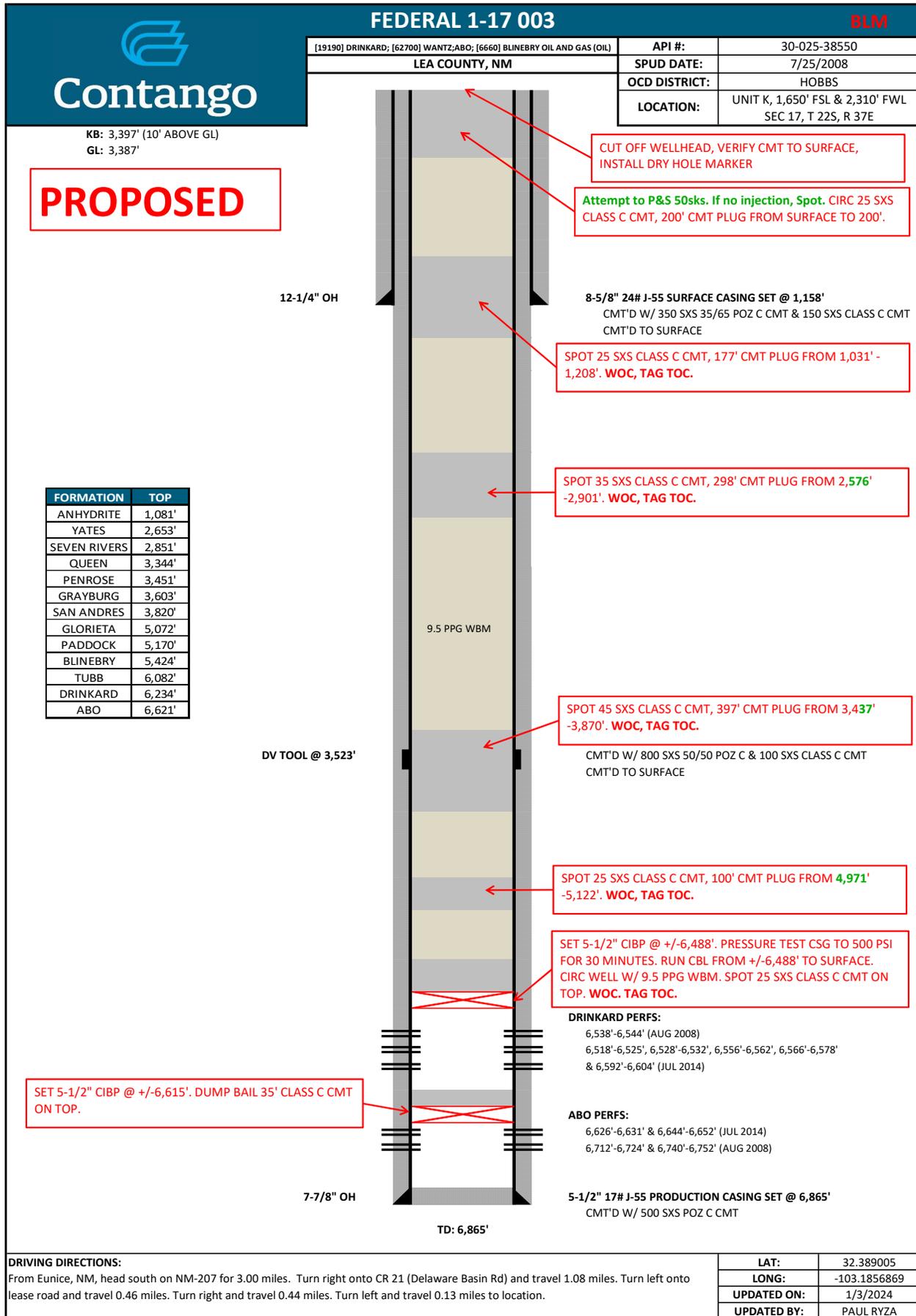
Signature: KEITH IMMATTY

Description of Procedure:

1. Pull rods & tbg. Set 5-1/2" CIBP @ 6,615'. Dump bail 35' Class C cmt on top (Abo perfs).
2. Set 5-1/2" CIBP @ +/-6,488'. Pressure test csg to 500 psi for 30 minutes. Run CBL from +/-2,602' to surface.
3. Circ well w/ 9.5 ppg WBM. Spot 25 sxs Class C cmt on top (Drinkard perfs).
4. Spot 25 sxs Class C cmt from **4,971'** - 5,122', WOC & tag (Glorieta).
5. Spot 45 sxs Class C cmt from **3,437'** - 3,870', WOC & tag (San Andres, Grayburg & DV Tool).
6. Spot 35 sxs Class C cmt from **2,576'** - 2,901', WOC & tag (Yates & Seven Rivers).
7. Spot 25 sxs Class C cmt from 1,031' - 1,208', WOC & tag (Anhydrite & Surf Csg Shoe).
8. Circulate 25 sxs Class C cmt from 200' to surface (Surface Plug). **Attempt to perf and sqz this plug. WCR records indicate TOC at 958'. If no injection, spot OK**
7. Cut off wellhead, verify cmt to surface, weld on dry hole marker.

**Depths slightly adjusted to include 10% excess per 1000' of MD**





**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 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> 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 575-689-5981.

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. Tagging the plug means running in the hole with a string of tubing or drill pipe and placing sufficient weight on the plug to ensure its integrity. Other methods of tagging the plug may be approved by the BLM authorized officer or BLM field representative.

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 10<sup>th</sup> 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 if a metal plate is welded in place.

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.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. 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 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/all contaminants, scrap/trash, equipment, pipelines and powerlines **(Contact service companies, allowing plenty of time to have the risers and power lines and poles removed prior to reclamation, don't wait till the last day and try to get them to remove infrastructure)**. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip (across the slope 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/Environmental Protection Specialist  
575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias  
Environmental Protection Specialist  
575-234-6230

Crisha Morgan  
Environmental Protection Specialist  
575-234-5987

Jose Martinez-Colon  
Environmental Protection Specialist  
575-234-5951

Mark Mattozzi  
Environmental Protection Specialist  
575-234-5713

Robert Duenas  
Environmental Protection Specialist  
575-234-2229

Doris Lauger Martinez  
Environmental Protection Specialist  
575-234-5926

Jaden Johnston  
Environmental Protection Asst. (Intern)  
575-234-6252

**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

Action 311101

**COMMENTS**

Operator: Contango Resources, LLC 111 E. 5TH STREET FORT WORTH, TX 76102	OGRID: 330447
	Action Number: 311101
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

**COMMENTS**

Created By	Comment	Comment Date
plmartinez	DATA ENTRY PM.	2/12/2024

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

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

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 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 311101

**CONDITIONS**

Operator: Contango Resources, LLC 111 E. 5TH STREET FORT WORTH, TX 76102	OGRID: 330447
	Action Number: 311101
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

**CONDITIONS**

Created By	Condition	Condition Date
gcordero	None	2/8/2024