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

Sundry Print Report
08/09/2023

Well Name: ALAMOS CANYON	**Well Location:** T21N / R6W / SEC 9 / NWSW / 36.062975 / -107.481353	**County or Parish/State:** SANDOVAL / NM
Well Number: 5	**Type of Well:** CONVENTIONAL GAS WELL	**Allottee or Tribe Name:**
Lease Number: NMNM21454	**Unit or CA Name:** ALAMOS CANYON	**Unit or CA Number:** NMNM93961
US Well Number: 300432048900S1	**Well Status:** Producing Gas Well	**Operator:** M & M PRODUCTION & OPERATION

Notice of Intent

Sundry ID: 2745317

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 08/09/2023

Time Sundry Submitted: 11:32

Date proposed operation will begin: 03/01/2024

Procedure Description: See attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

Oral Submission

Oral Notification Date:	Aug 7, 2023	**Oral Notification Time:**	12:00 AM
Contacted By:	Teresa McCown	**Contact's Email:**	holcomb.oilgas@gmail.com

Comments: Submitted as previous record title owner. Per written order 23KGR0044W.

NOI Attachments

Procedure Description

NMNM021454_AC_5_NOIA_08072023_20230809112656.pdf

Well Name: ALAMOS CANYON

Well Location: T21N / R6W / SEC 9 / NWSW / 36.062975 / -107.481353

County or Parish/State: SANDOVAL / NM

Well Number: 5

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMNM21454

Unit or CA Name: ALAMOS CANYON

Unit or CA Number: NMNM93961

US Well Number: 300432048900S1

Well Status: Producing Gas Well

Operator: M & M PRODUCTION & OPERATION

Conditions of Approval

Authorized

General_Requirement_PxA_20230809122431.pdf

PxA_21N06W09LKmv_Alamos_Canyon_005_20230809122359.pdf

2745317_AC_5_COAs_3004320489_KR_08092023_20230809122342.pdf

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

AFMSS 2 Sundry ID 2745317

Attachment to notice of Intention to Abandon

Well: Alamos Canyon 5

CONDITIONS OF APPROVAL

1. **Plugging operations must be completed by April 1, 2024.**

2. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."

3. The following modifications to your plugging program are to be made:
   a. Run a CBL to verify cement behind casing. Send the results by email to Kenneth Rennick, krennick@blm.gov, and Matthew Kade, mkade@blm.gov.
   b. Adjust Plug #2 (PC/Fruitland) to cover BLM Fruitland pick @ 705'.
   c. Add a Plug to cover the Kirtland top @ 600'. Alternatively Plug #3 may be lengthened to cover both the Ojo Alamo and Kirtland tops.

4. Farmington Office is to be notified at least 24 hours before the plugging operations commence at (505) 564-7750.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.

K. Rennick 08/09/2023

BLM FFO Fluid Minerals
P&A Geologic Report

AFMSS ID: 2745317

Date Completed: 8/9/2023

Well No.	Alamos Canyon #005	SHL	790	FSL	1850	FEL
API No.	3004320489		Unit O	Sec. 12	T22N	R03W
Lease No.	NMNM21454	BHL	Same			
Operator	M & M Production & Operation					
Elev. (GL)	6808	County	Sandoval		State	NM
Total Depth	1525 PBTD 1458	Formation	Chacra			

Formation Top	MD (ft GL)	Remarks
San Jose Fm.		
Nacimiento Fm.	Surface	Surface/freshwater sands
Ojo Alamo Ss	380	Freshwater
Kirtland Fm.	600	Water/possible gas
Fruitland Fm.	705	Coal/gas/water
Pictured Cliffs Ss	905	Possible gas/water
Lewis Shale	1130	
Chacra	1305	Gas
Cliff House Ss		
Menefee Fm.		
Point Lookout Fm.		
Mancos Shale		
Gallup		
Greenhorn Ls		
Graneros Shale		
Dakota Ss		
Morrison Fm.		

Remarks:

- Holcomb Oil and Gas, Inc. plans to plug the subject well as Record Title Owner of the lease.

- Chacra perfs 1326' - 1362'.

- Recommend running a CBL.

- Adjust Plug #2 (PC/Fruitland) to cover BLM Fruitland pick @ 705'.

- Add a Plug to cover the Kirtland top @ 600'. Alternatively Plug #3 may be lengthened to cover both the Ojo Alamo and Kirtland tops.

Reference Well:

1) Formation Tops
Same

Prepared by: Chris Wenman

GENERAL REQUIREMENTS FOR PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES FARMINGTON FIELD OFFICE

1.0 The approved plugging plans may contain variances from the following minimum general requirements.

1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.

1.2 Requirements may be added to address specific well conditions.

2.0 Materials used must be accurately measured. (densometer/scales)

3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.

3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.

4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.

4.1 The cement shall be as specified in the approved plugging plan.

4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.3 Surface plugs may be no less than 50' in length.

4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.

4.6 **A cement bond log or other accepted cement evaluation tool is required to be run if one had not been previously ran or cement did not circulate to surface during the original casing cementing job or subsequent cementing jobs.**

5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.

5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.

5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.

5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.

5.4 If perforations are required below the surface casing shoe, a 30 minute minimum wait time will be required to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. Short or long term venting may be necessary to evacuate trapped gas. If only a water flow occurs with no associated gas, shut well in and record the pressures. Contact the Engineer as it may be necessary to change the cement weight and additives.

6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.

6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.

6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.

7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H_2S.

8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), through the Automated Fluid Minerals Support System (AFMSS) with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.

9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

Form 3160-5
(June 2019)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB
No. 1004-0137 Expires:
December 31, 2024

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*

5. Lease Serial No. NMNM021454

6. If Indian, Allottee or Tribe Name

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

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

2. Name of Operator M&M Production & Operation, Inc.

8. Well Name and No. 5

3a. Address

3b. Phone No. *(include area code)*

9. API Well No. 30-043-20489

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1850' FSL & 790' FWL, Section 9,21n,06W

10. Field and Pool or Exploratory Area
RUSTY CHACRA

11. Country or Parish, State
SANDOVAL, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

Holcomb Oil and Gas Inc., request to plug and abandon the ALAMOS CANYON #005 per attached procedure, exiting and proposed wellbore and reclamation plan.

Holcomb Oil and Gas, Inc. is record title holder and due to the opeator failing to comply with requirements Holcomb is conducting final plugging actives as requested by BLM.

Attached letter from BLM.

Received

AUG 07 2023

Farmington Field Office
Bureau of Land Management

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
William J. Holcomb — Title President

Signature — Date 8/7/23 08/07/2023

THE SPACE FOR FEDERAL OR STATE OFICE 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)

M&M Production

Plug And Abandonment Procedure

Alamos Canyon #005

1850' FSL & 790' FWL, Section 9, 21N, 06W

Sandoval County, NM / API 30-043-20489

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 1,326'.

6. P/U 4-1/2" CR, TIH and set CR at +/- 1,276'. 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. If required, RU wireline and run CBL with 500 psi on casing from CR at 1,276' to surface to identify TOC. Adjust plugs as necessary for new TOC.

8. Rig up to pump cement down tubing. Pump water to establish rate down tubing.

9. Circulate wellbore with water.

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

10. Plug 1 **(Chacra Mesa Perforations and Formation Top 1,276'-1,176', 7 Sacks Type III Cement)**

    Mix 7 sx Type III cement and spot a balanced plug inside casing to cover the Chacra Mesa perforations and formation top.

11. Plug 2 **(Pictured Cliffs and Fruitland Formation Tops 967'-760', 15 Sacks Type III Cement)**

    Mix 15 sx Type III cement and spot a balanced plug inside casing to cover the Pictured Cliffs and Fruitland formation tops.

12. Plug 3 **(Ojo Alamo Formation Top 419'-269', 10 Sacks Type III Cement)**

    Mix 10 sx Type III cement and spot a balanced plug inside casing to cover the Ojo Alamo formation top.

13. Plug 6 **(Surface Casing Shoe 185'-Surface, 49 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 49 sx cement and spot a balanced plug from 185' 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 185' 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.

Existing Wellbore Diagram

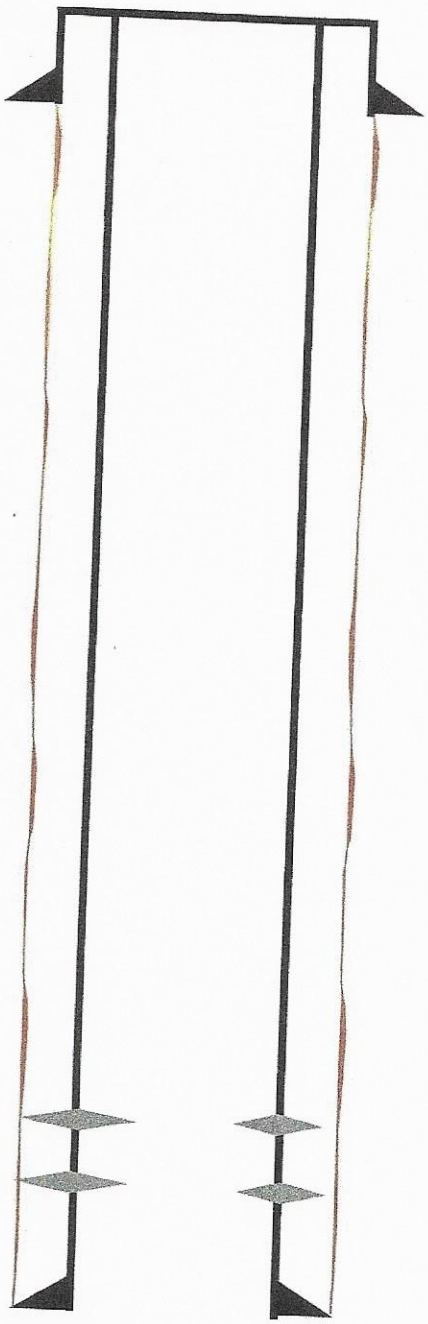
M&M Production
Alamos Canyon #005
API: 30-043-20489
Sandoval County, New Mexico

Surface Casing

8.625" 24# @ 135 ft
OH: 12.25"

Formation

Ojo Alamo - 369'
Fruitland - 860'
Pictured Cliffs - 926'
Lewis - 1130'
Chacra Mesa - 1370'



Perforations

1326 feet - 1362 feet

Production Casing

4.5" 10.5# @ 1513 feet
OH: 7.875"

Proposed Wellbore Diagram

M&M Production
Alamos Canyon #005
API: 30-043-20489
Sandoval County, New Mexico

Surface Casing
8.625" 24# @ 135 ft
OH: 12.25"

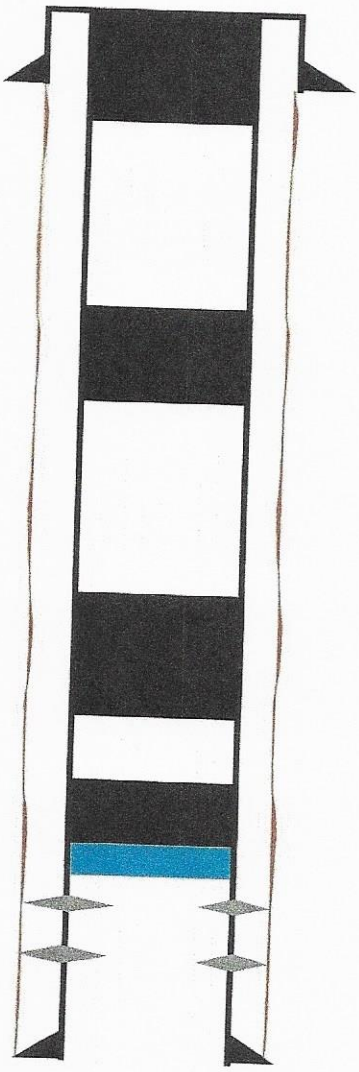
Plug 4
185 feet - Surface
185 foot plug
49 Sacks of Type III Cement

Plug 3
419 feet - 269 feet
150 foot plug
10 Sacks of Type III Cement

Plug 2
967 feet - 760 feet
216 foot plug
15 Sacks of Type III Cement

Plug 1
1276 feet - 1176 feet
100 foot plug
7 sacks of Type III Cement

Formation
Ojo Alamo - 369'
Fruitland - 860'
Pictured Cliffs - 926'
Lewis - 1130'
Chacra Mesa - 1370'



CIBP @ 1276 feet

Perforations
1326 feet - 1362 feet

Production Casing
4.5" 10.5# @ 1513 feet
OH: 7.875"

HOLCOMB OIL AND GAS, INC
PO BOX 2058
FARMINGTON, NM 87499
(505) 326-0550

SURFACE RECLAMATION PLAN

ALAMOS CANYON #005

Alamos Canyon #005
30-043-20489

Section: 9, Township: 21N, Range: 06W, Unit: A
Footage: 1850' FSL & 790' FWL
Lat 36.03467, Long -107.28529 NAD83

PROPOSED RECLAMATION

The entire well pad will be reclaimed to Bare Soil Reclamation Procedure (BSRP) reclamation standard upon abandonment/relinquishment. Holcomb Oil and Gas, Inc. will contact the BLM-FFO prior to commencing earthwork.

Holcomb will perform the following reclamation activities:

1. Underground production piping on pad will be pulled and removed. Underground production piping off pad will be cut and capped. Piping off pad will also remain buried. All fluids found within pipelines will be removed.
2. Anchors, tie downs and risers will be removed.
3. All facility surface equipment will be removed.
4. All oilfield related trash will be removed from location and disposed of at an approved disposal facility.
5. All gravel on the well pad surface will be removed.
6. Fill material will be recontoured to the original topography of the site prior to development.
7. The well pad will be ripped to reduce compaction and to establish a suitable root zone in preparation for topsoil replacement.
8. Natural drainage patterns will be restored as near as possible to pre-disturbance conditions on the well pad. In areas where restoring the natural drainage will cause excessive disturbance and disrupt current or established natural rehabilitation processes, water bars or diversion ditches will be employed.
9. Topsoil will be redistributed across the pad surface and disked to prepare the soil for seeding. Prior to seeding, all disturbed areas will be left with a rough surface to facilitate moisture and seed retention; vegetative brush will be placed at expected discharge areas to minimize sediment transport.
10. After the well pad is recontoured, the surface will be plowed or ripped to a depth of 12" before reseeding. Seeding will be done with a disc type drill with two boxes for various seed sizes. The drill rows will be eight to ten inches apart. The seed will be planted between one-half inch deep and three-quarter insure uniform coverage of the seed, and adequate compaction. Drilling of the seed will be done on the contour where possible. Where slopes are too steep for contour drilling a "cyclone" hand seeder or similar broadcast seeder will be used, using twice the recommended seed per acre. Seed will then be covered to a depth described above by whatever means is practical. Seed to be used will be BLM-FFO general seed mix (see Table 1). Seeding

will be accomplished as soon as reasonable possible following completion or earthwork activities. Due to high grazing activity in the area, the reclaimed well pad will be fenced in to achieve successful reclamation without grazing disturbance. Fencing will meet standards found on Figure 1 of The Gold Book 4th Ed. Revised (2007). The BLM- FFO will be notified prior to commencing with seed application and all surfaces will be seeded in accordance.

11. Temporary and/or permanent storm water and erosion control Best Management Practices (BMPs) will be employed across appropriate location around the pad as dictated by location drainage patterns and expected areas of disturbance and slopes. BMP selection will be determined by local factors and will be a combination of sediment and erosion controls deemed effective and low maintenance. Diversion ditches, soil blankets, and/or other suitable BHS be used in various combinations, as appropriate, during and after construction activities.

12. A weed management program to control the introduction and spread of weed populations will be integrated if necessary and continue until successful reclamation is achieved.
13. A Plugged and Abandoned (P&A) well marker will be set in accordance with 43 CFR 3162.6(d) and Onshore Order Number Two. The well marker will be a standard DHM and include well information and GPS for future reference.

The long-term goal of final reclamation is to set the course for ecosystem restoration including the restoration of natural vegetation. holcomb will avoid disturbance, to the greatest extent practicable in areas along the pad perimeter where healthy, mature, and weed-free vegetation has become established. EOG will focus reclamation efforts on de-compaction,re-establishing natural drainage patterns, and re-vegetating the abandoned well pad.

Holcomb will submit a reclamation complete sundry after final reclamation has been completed. Reclaimed areas will be monitored annually. Actions will be taken to ensure that reclamation standards are met as quickly as reasonably practical and are maintained during the life of the permit.

Proposed Reclamation Seed Mix

Table 1. Reclamation Seed Mix.

Common Name	Scientific Name	Variety	Season	Form	PLS lbs/acre[1]
Fourwing saltbush	*Atriplex canescens*	VNS	Cool	Shrub	2.0
Winterfat	*Krascheninnikovia lanata*	VNS	Cool	Shrub	1.0
Alkali Sacaton	*Sporobolus airoides*	VNS	Warm	Bunch	0.25
Western wheatgrass	*Pascopyrum smithii*	Arriba	Cool	Sod- forming	2.0
Indian ricegrass	*Achnatherum hymenoides*	Paloma	Cool	Bunch	2.0
Blue grama	*Bouteloua gracilis*	Hachita	Warm	Sod-forming	1.0
Galleta grass	*Pleuraphis jamesii*	Viva	Warm	Bunch	2.0
Needle and Thread	*Hesperostipa cromata*	VNS	Cool	Bunch	2.5

[1] Based on 45 PLS per square foot, drill seeded; double this rate (90 PLS per square foot) if broadcast or hydro-seeded.

* VNS = Variety not specified, choose a source from an area that would be suitable for the source site, generally from a higher elevation or latitude

Well Pad

1. The well pad will remain as is. There will be no re-contouring (push/fill) required. There is a small area on pad (close proximity to the wellhead) that will need to be ripped and reseeded. See map attached.
2. Remove all oilfield related trash.
3. Remove riser and all facility surface equipment.
4. Remove produced water tank and associated piping.
5. Remove all anchors.

Pipeline

1. The production piping on pad at the Alamos Canyon #005 will be removed. The production piping off pad will be flushed, cut/capped, and remain buried.

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
Standard Plugging Conditions

This document provides OCD's general plugging conditions of approval. It should be noted that the list below may not cover special plugging programs in unique and unusual cases, and OCD expressly reserves the right to impose additional requirements to the extent dictated by project conditions. The OCD also reserves the right to approve deviations from the below conditions if field conditions warrant a change. A C-103F NOI to P&A must be approved prior to plugging operations. Failure to comply with the conditions attached to a plugging approval may result in a violation of 19.15.5.11 NMAC, which may result in enforcement actions, including but not limited to penalties and a requirement that the well be re-plugged as necessary.

1. Notify OCD office at least 24 hours before beginning work and seek prior approval to implementing any changes to the C-103 NOI to PA.
    - North Contact, Monica Kuehling, 505-320-0243, monica.kuehling@emnrd.nm.gov
    - South Contact, Gilbert Cordero, 575-626-0830, gilbert.cordero@emnrd.nm.gov

2. A Cement Bond Log is required to ensure strata isolation of producing formations, protection of water and correlative rights. A CBL must be run or be on file that can be used to properly evaluate the cement behind the casing.

    Note: Logs must be submitted to OCD via OCD permitting. A copy of the log may be emailed to OCD inspector for faster review times, but emailing does not relieve the operators obligation to submit through OCD permitting.

3. Once Plugging operations have commenced, the rig must not rig down until the well is fully plugged without OCD approval. If gap in plugging operations exceeds 30 days, the Operator must file a subsequent sundry of work performed and revised NOI for approval on work remaining. At no time shall the rig be removed from location if it will result in waste or contamination of fresh water.

4. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.

5. Fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
    - North, water or mud laden fluids
    - South, mud laden fluids

6. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to an OCD permitted disposal facility.

7. Class of cement shall be used in accordance with the below table for depth allowed.

Class	TVD Lower Limit (feet)
Class A/B	6,000
Class I/II	6,000
Class C or III	6,000
Class G and H	8,000
Class D	10,000
Class E	14,000
Class F	16,000

8. After cutting the well head any "top off cement jobs" must remain static for 30 minutes. Any gas bubbles or flow during this 30 minutes shall be reported to the OCD for approval of next steps.

9. Trucking companies being used to haul oilfield waste fluids (Commercial or Private) to a disposal facility shall have an approved OCD 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 and 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 OCD Compliance Officer.

10. Filing a [C-103] Sub. Plugging (C-103P) will serve as notification that the well has been plugged.

11. A [C-103] Sub. Release After P&A (C-103Q) shall be filed no later than a year after plugging and a site inspection by OCD Compliance officer to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to meet OCD standards before bonding can be released.

12. Produced water or brine-based fluids may not be used during any part of plugging operations without prior OCD approval.

13. Cementing;
    - All cement plugs will be neat cement and a minimum of 100' in length. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
    - If cement does not exist between or behind the casing strings at recommended formation depths, the casing perforations will be shot at 50' below the formation top and the cement retainer shall be set no more than 50' from the perforations.
    - WOC (Wait on Cement) time will be:
        - 4 hours for accelerated (calcium chloride) cement.
        - 6 hours on regular cement.
    - Operator must tag all cement plugs unless it meets the below condition.
        - The operator has a passing pressure test for the casing annulus and the plug is only an inside plug.
    - If perforations are made operator must tag all plugs using the work string to tag unless given approval to tag with wireline by the correct contact from COA #1 of this document.
        - This includes plugs pumped underneath a cement retainer to ensure retainer seats properly after cement is pumped.
    - Cement can only be bull-headed with specific prior approval.
    - Squeeze pressures are not to exceed the exposed formations frac gradient or the burst pressure of the casing.

14. A cement plug is required to be set from 50’ below to 50’ above (straddling) formation tops, casing shoes, casing stubs, any attempted casing cut offs, anywhere the casing is perforated, DV tools.
    - Perforation/Formation top plug. (When there is less than 100ft between the top perforation to the formation top.) These plugs are required to be started no greater than 50ft from the top perforation. However, the plug should be set below the formation top or as close to the formation top as possible for the maximum isolation between the formations. The plug is required to be a 100ft cement plug plus excess.
    - Perforation Plug when a formation top is not included. These plugs are required to be started within 50ft of the top perforation. The plug is required to be a 100ft cement plug plus excess.
    - Cement caps on top of bridge plugs or cement retainers for perforation plugs, that are not straddling a formation top, may be set using a bailer with a minimum of 35’ of cement in lieu of the 100’ plug. The bridge plug or retainer must be set within 50ft of the perforations.
    - Perforations are required below the surface casing shoe if cement does not exist behind the casing, a 30-minute minimum wait time will be required immediately after perforating to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. If gas is detected contact the OCD office for directions.

15. No more than 3000 feet is allowed between cement plugs in cased hole and no more than 2000 feet is allowed in open hole.

16. Formation Tops to be isolated with cement plugs, but not limited to are:
    - Northwest See Figure A
    - South (Artesia) See Figure B
    - Potash See Figure C
        - In the R-111-P (Or as subsequently revised) 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, woe 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.
    - South (Hobbs) See Figure D1 and D2
    - Areas not provided above will need to be reviewed with the OCD on a case by case basis.

17. Markers
    - Dry hole marker requirements 19.15.25.10.
      The operator shall mark the exact location of plugged and abandoned wells with a steel marker not less than four inches in diameter set in cement and extending at least four feet above mean ground level. The marker must include the below information:
        1. Operator name
        2. Lease name and well number
        3. API number
        4. Unit letter
        5. Section, Township and Range

- AGRICULTURE (Below grade markers)
  In Agricultural areas a request can be made for a below ground marker. For a below ground marker the operator must file their request on a C-103 notice of intent, and it must include the following;
  A) Aerial photo showing the agricultural area
  B) Request from the landowner for the below ground marker.
  C) Subsequent plugging report for a well using a below ground marker must have an updated C-102 signed by a certified surveyor for SHL.

  Note: 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 OCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to OCD. OCD requires a current survey to verify the location of the below ground marker, however OCD will accept a GPS coordinate that were taken with a GPS that has an accuracy of within 15 feet.

18. If work has not commenced within 1 year of the approval of this procedure, the approval is automatically expired. After 1 year a new [C-103] NOI Plugging (C-103F) must be submitted and approved prior to work.

Figure A

North Formations to be isolated with cement plugs are:

- San Jose
- Nacimiento
- Ojo Alamo
- Kirtland
- Fruitland
- Picture Cliffs
- Chacra (if below the Chacra Line)
- Mesa Verde Group
- Mancos
- Gallup
- Basin Dakota (plugged at the top of the Graneros)
- Deeper formations will be reviewed on a case-by-case basis

Figure B

South (Artesia) Formations to be isolated with cement plugs are:

- Fusselman
- Montoya
- Devonian
- Morrow
- Strawn
- Atoka
- Permo-Penn
- Wolfcamp
- Bone Springs
- Delaware , in certain areas where the Delaware is subdivided into;
  - 1. Bell Canyon
  - 2. Cherry Canyon
  - 3. Brushy Canyon
- Any salt sections
- Abo
- Yeso
- Glorieta
- San Andres
- Greyburg
- Queen
- Yates

Figure C

Potash Area R-111-P

T 18S – R 30E
Sec 10 Unit P. Sec 11 Unit M,N. Sec 13 Unit L,M,N. Sec 14 Unit C -P. Sec 15 Unit A G,H,I,J,K,N,O,P. Sec 22 Unit All
except for M. Sec 23, Sec 24 Unit C,D,E,L, Sec 26 Unit A-G, Sec 27 Unit A,B,C

T 19S – R 29E
Sec 11 Unit P. Sec 12 Unit H-P. Sec 13. Sec 14 Unit A,B,F-P. Sec 15 Unit P. Sec 22 Unit A,B,C,F,G,H,I,J
K,N,O,P. Sec 23.
Sec 24. Sec 25 Unit D. Sec 26 Unit A- F. Sec 27 Unit A,B,C,F,G,H.

T 19S – R 30E
Sec 2 Unit K,L,M,N. Sec 3 Unit I,L,M,N,O,P. Sec 4 Unit C,D,E,F,G,I-P. Sec 5 Unit A,B,C,E-P. Sec 6 Unit I,O,P. Sec 7 – Sec
10. Sec 11 Unit D, G—P. Sec 12 Unit A,B,E-P. Sec 13 Unit A-O. Sec 14-Sec 18. Sec 19 Unit A-L, P. Sec 20 – Sec 23. Sec
24 Unit C,D,E,F,L,M,N. Sec 25 Unit D. Sec 26 Unit A-G, I-P. Sec 27, Sec 28, Sec 29 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 32
Unit A,B,G,H,I,J,N,O,P. Sec 33. Sec 34. Sec 35. Sec 36 Unit D,E,F,I-P.

T 19S – R 31E
Sec 7 Unit C,D,E,F,L. Sec 18 Unit C,D,E,F,G,K,L. Sec 31 Unit M. Sec 34 Unit P. Sec 35 Unit M,N,O. Sec 36 Unit O,P.

T 20S – R 29E
Sec 1 Unit H,I,P. Sec 13 Unit E,L,M,N. Sec 14 Unit B-P. Sec 15 Unit A,H,I,J,N,O,P. Sec 22 Unit A,B,C,F,G,H,I,J,O,P. Sec
23. Sec 24 Unit C,D,E,F,G,J-P. Sec 25 Unit A-O. Sec 26. Sec 27 Unit A,B,G,H,I,J,O,P. Sec 34 Unit A,B,G,H. Sec 35 Unit
A-H. Sec 36 Unit B-G.

T 20S – R 30E
Sec 1 – Sec 4. Sec 5 Unit A,B,C,E-P. Sec 6 Unit E,G-P. Sec 7 Unit A-H,I,J,O,P. Sec 8 – 17. Sec 18 Unit A,B,G,H,I,J,O,P.
Sec 19 Unit A,B,G,H,I,J,O,P. Sec 20 – 29. Sec 30 Unit A-L,N,O,P. Sec 31 Unit A,B,G,H,I,P. Sec 32 – Sec 36.

T 20S – R 31E
Sec 1 Unit A,B,C,E-P. Sec 2. Sec 3 Unit A,B,G,H,I,J,O,P. Sec 6 Unit D,E,F,J-P. Sec 7. Sec 8 Unit E-P. Sec 9 Unit E,F,J-P.
Sec 10 Unit A,B,G-P. Sec 11 – Sec 36.

T 21S – R 29E
Sec 1 – Sec 3. Sec 4 Unit L1 – L16,I,J,K,O,P. Sec 5 Unit L1. Sec 10 Unit A,B,H,P. Sec 11 – Sec 14. Sec 15 Unit A,H,I. Sec
23 Unit A,B. Sec 24 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 25 Unit A,O,P. Sec 35 Unit G,H,I,J,K,N,O,P. Sec 36 A,B,C,F – P.

T 21S – R 30E
Sec 1 – Sec 36

T 21S – R 31E

Sec 1 – Sec 36

T 22S – R 28E
Sec 36 Unit A,H,I,P.

T 22S – R 29E
Sec 1. Sec2. Sec 3 Unit I,J,N,O,P. Sec 9 Unit G – P. Sec 10 – Sec 16. Sec 19 Unit H,I,J. Sec 20 – Sec 28. Sec 29 Unit
A,B,C,D,G,H,I,J,O,P. Sec 30 Unit A. Section 31 Unit C – P. Sec 32 – Sec 36

T 22S – R 30E
Sec 1 – Sec 36

T 22S – R 31E
Sec 1 – Sec 11. Sec 12 Unit B,C,D,E,F,L. Sec 13 Unit E,F,K,L,M,N. Sec 14 – Sec 23. Sec 24 Unit
C,D,E,F,K,L,M,N. Sec 25
Unit A,B,C,D. Sec 26 Unit A,BC,D,G,H. Sec 27 – Sec 34.

T 23S – R 28E
Sec 1 Unit A

T 23S – R 29E
Sec 1 – Sec 5. Sec 6 Unit A – I, N,O,P. Sec 7 Unit A,B,C,G,H,I,P. Sec 8 Unit A – L, N,O,P. Sec 9 – Sec 16. Sec 17 Unit
A,B,G,H,I,P. Sec 21 – Sec 23. Sec 24 Unit A – N. Sec 25 Unit D,E,L. Sec 26. Sec 27. Sec 28 Unit A – J, N,O,P. Sec 33
Unit A,B,C. Sec 34 Unit A,B,C,D,F,G,H. Sec 35. Sec 36 Unit B,C,D,E,F,G,K,L.

T 23S – R 30E
Sec 1 – Sec 18. Sec 19 Unit A – I,N,O,P. Sec 20, Sec 21. Sec 22 Unit A – N, P. Sec 23, Sec 24, Sec 25. Sec 26 Unit
A,B,F-P. Sec 27 Unit C,D,E,I,N,O,P. Sec 28 Unit A – H, K,L,M,N. Sec 29 Unit A – J, O,P. Sec 30 Unit A,B. Sec 32 A,B. Sec
33 Unit C,D,H,I,O,P. Sec 34, Sec 35, Sec 36.

T 23S – R 31E
Sec 2 Unit D,E,J,O. Sec 3 – Sec 7. Sec 8 Unit A – G, K – N. Sec 9 Unit A,B,C,D. Sec 10 Unit D,P. Sec 11 Unit G,H,I,J,M,N,O,P. Sec 12 Unit E,L,K,M,N. Sec 13 Unit C,D,E,F,G,J,K,L,M,N,O. Sec 14. Sec 15 Unit A,B,E – P. Sec 16 Unit
I, K – P. Sec 17 Unit B,C,D,E, I – P. Sec 18 – Sec 23. Sec 24 Unit B – G, K,L,M,N. Sec 25 Unit B – G, J,K,L. Sec 26 – Sec
34. Sec 35 Unit C,D,E.

T 24S – R 29E
Sec 2 Unit A, B, C, D. Sec 3 Unit A

T 24S – R 30E
Sec 1 Unit A – H, J – N. Sec 2, Sec 3. Sec 4 Unit A,B,F – K, M,N,O,P. Sec 9 Unit A – L. Sec 10 Unit A – L, O,P. Sec 11.
Sec 12 Unit D,E,L. Sec 14 Unit B – G. Sec 15 Unit A,B,G,H.

T 24S – R 31E
Sec 3 Unit B – G, J – O. Sec 4. Sec 5 Unit A – L, P. Sec 6 Unit A – L. Sec 9 Unit A – J, O,P. Sec 10 Unit B – G, K – N. Sec
35 Unit E – P. Sec 36 Unit E,K,L,M,N.

T 25S – R 31E
Sec 1 Unit C,D,E,F. Sec 2 Unit A – H.

Figure D1 and D2

South (Hobbs) Formations to be isolated with cement plugs are:

The plugging requirements in the Hobbs Area are based on the well location within specific areas of the Area (See Figure D1). The Formations in the Hobbs Area to be isolated with cement plugs are (see Figure D2)

Figure D1 Map

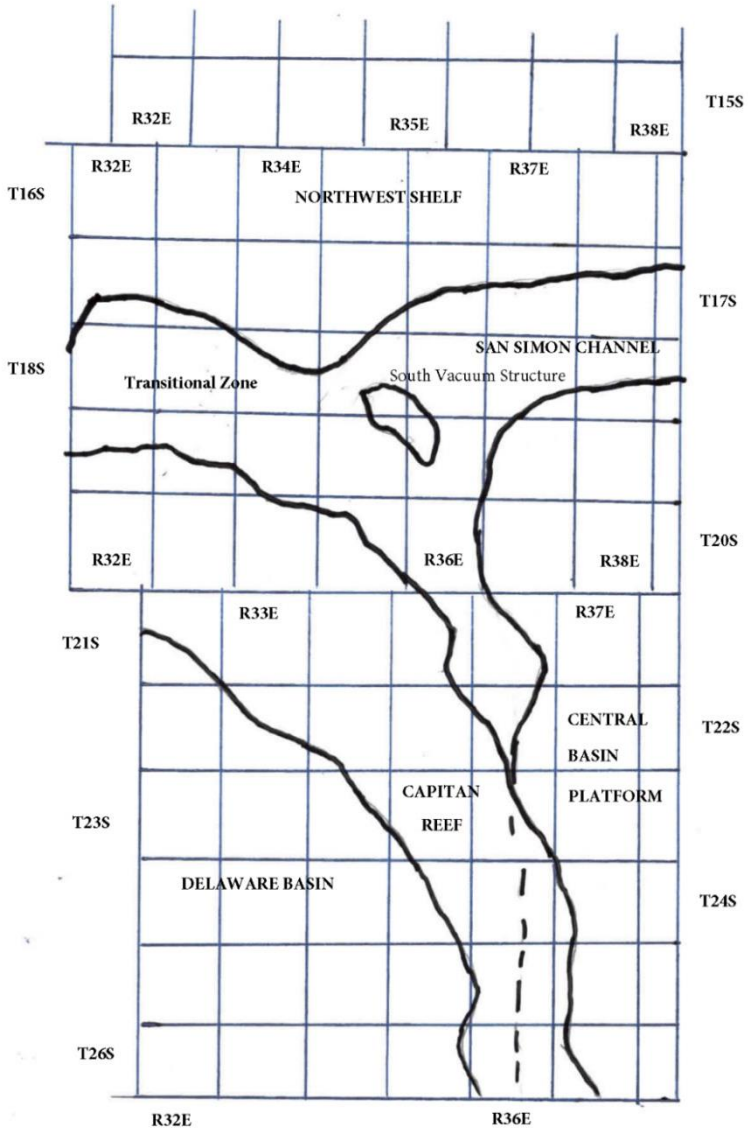


Figure D2 Formation Table

100' P'lug to isolate upper and lower fresh water zones (typiailly 2.50' to 350')						
ND!rthwest Shelf	**C;iptan Reef Are<a**	**Trani5ition Zone**	**San Simon Oh.annel**	**South \lacJUUm Structure**	**Delaware Basin**	**Ce<n,tiral Basin Platform**
Granit \./ash (Detrital basement material and fractured pre-Cambrian basement rock)	Siluro-Devonian	Morrow	Siluro-Devonian	Ellenburger	Siluro-Devonian	Granit \./ash (Detrital basement material, fractured pre-Cambrian basement rock and fracture Mafic Volcanic intrusives).
Montoya	Mississippian	Atoka	Morrow	Mckee	Morrow	Ellenburger
Fusselman	Morrow	Strawn	\./olfcamp	Siluro-Devonian	Atoka	Connell
Woodford	Atoka	Cisco	Abo Reef	Woodford	Strawn	Waddell
Siluro-Devonian	Strawn	Pennsylvanian	Bone Spring	Mississippian	Pennsylvanian	Mckee
Chester	Pennsylvanian	\./olfcamp	Delaware	Barnett Shale	Low er \./olfcamp	Simpson Group
Austin	\./olfcamp	Bone Spring	San Andres	Morrow	Upper \./olfcamp	Montoya
Mississippian	Abo Reef, if present	Delaware	Queen	Atoka	\./olfcamp	Fusselman
Morrow	Abo, if present	San Andres	Yates	Strawn	Third Bone Spring Sand (Top of \./olfbone)	Silurian
Atoka	Queen, if present	Grayburg-San Andres	Base of Salt	Canyon	First Bone Spring Sand (Top of Lower Bone Spring)	Devonian
Lower Pennsylvanian	Bone Spring	Queen	Rustler	Pennsylvanian	Bone Spring	Strawn
Cisco-Canyon	Delaware	Seven Rivers		Blinebry	Brushy Canyon	Pennsylvanian
Pennsylvanian	Base Capitan Reef	Yates		Bone Spring	Delaw are (Base of Salt)	\./olfcamp
Bough	Seven Rivers	Base of Salt		San Andres	Rustler	Abo
\./olfcamp	Yates	Rustler		Queen		Abo Reef
Abo	Top Capitan Reef			Base of Salt		Drinkard
Abo Reef, if present	Base of Salt			Rustler		Tubb
Yeso (Township 15 South to Township 17 South)	Rustler					Blinebry
Drinkard or Low er Y eso (Township 15 South to Township 17 South)						Paddock
Tubb (Township 15 South to Township 17 South)						Glorieta
Blinebry (Township 15 South to Township 17 South)						San Andres
Pad dock (Township 15 South to Township 17 South)						Grayburg
Glorieta						Gr ayburg-San Andres
San Andres						Queen
Queen (Township 15 South to Township 17 South)						Seven Rivers
Seven Rivers (Township 15 South to Township 17 South)						Yates
Yates (Township 15 South to Township 17 South)						Base of Salt
Base of Salt						Rustler
Rustler						

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 376214

CONDITIONS

Operator: HOLCOMB OIL & GAS INC PO Box 2058 Farmington, NM 87401	OGRID: 10605
	Action Number: 376214
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
loren.diede	Please note: The SHL location stated on the "BLM FFO Fluid Minerals P&A Geologic Report" dated 8-9-2023 is not correct. The SHL location is: 1850'FSL, 790' FWL, Sec 9, T21N, R6W.	8/23/2024
loren.diede	Notify NMOCD 24 hours prior to beginning P&A operations.	8/23/2024
loren.diede	A CBL is required to be run on this well after setting the CR at 1276'. Submit CBL into NMOCD Imaging via E Permiting.	8/23/2024