

Well Name: HONDO FEDERAL B	Well Location: T17S / R28E / SEC 23 / SENW / 32.8213931 / -104.1476184	County or Parish/State: EDDY / NM
Well Number: 1	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM01510	Unit or CA Name:	Unit or CA Number:
US Well Number: 3001501513	Operator: SELLERS AND FULTON OIL LLC	

Notice of Intent

Sundry ID: 2837976

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 02/21/2025	Time Sundry Submitted: 07:23
Date proposed operation will begin: 02/21/2025	

Procedure Description: XTO Energy Inc., respectfully submits this NOI to P&A the above mentioned well on behalf of operator Sellers & Fulton Oil LLC. Please see the attached P&A procedure with current and proposed WBD's for your review. Please see also the attached OCD P&A Authorization Package.

Surface Disturbance

Is any additional surface disturbance proposed?: No

Oral Submission

Oral Notification Date:	Feb 21, 2025	Oral Notification Time:	12:00 AM
Contacted By:	Sherry Morrow	Contact's Email:	sherry.morrow@exxonmobil.com
Comments:	XTO (Leasee) is submitting this on behalf of Sellers & Fulton Oil LL.		

NOI Attachments

Procedure Description

Hondo_Fed_001_3160_5_NOI_P_A_Procedure_Current___Proposed_WBDs___OCD_Auth_PA_Pkg_20250221072207.pdf

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Well Name: HONDO FEDERAL B

Well Location: T17S / R28E / SEC 23 /
SENW / 32.8213931 / -104.1476184

County or Parish/State: EDDY /
NM

Well Number: 1

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM01510

Unit or CA Name:

Unit or CA Number:

US Well Number: 3001501513

Operator: SELLERS AND FULTON OIL
LLC

APPROVED by Long Vo
Petroleum Engineer
Carlsbad Field Office
575-988-50402
LVO@BLM.GOV

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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. NM01510

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 Sellers & Fulton Oil LLC

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

8. Well Name and No. Hondo Federal 001

3a. Address PO BOX 1176, Artesia, NM 88211

3b. Phone No. (include area code)
(432) 967-7046

9. API Well No. 30-015-01513

10. Field and Pool or Exploratory Area
Red Lake; Queen-Grayburg-SA4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2330 FNL & 2274 FWL, Unit Ltr F, SEC 23, T17S, R28E11. Country or Parish, State
EDDY CO., NM

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

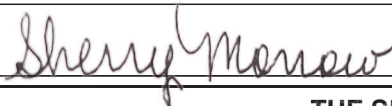
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 recompleat 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 perfonned 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 recompleat 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 detennined that the site is ready for final inspection.)

XTO Energy Inc., respectfully submits this NOI to P&A the above mentioned well on behalf of operator Sellers & Fulton Oil LLC. Please see the attached P&A procedure with current and proposed WBD's for your review. Please see also the attached OCD P&A Authorization Package.

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

Signature



Date

02/20/2025

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Long Vo



Title

Petroleum Engineer

Date

2/24/2025

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

Carlsbad Field 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

REVISED

1:51 pm, Feb 24, 2025

PLUG AND ABANDON WELLBORE
HONDO FEDERAL 001
EDDY COUNTY, NEW MEXICO
Class II

MASIP	MAOP	MAWP	Surface Csg Yield
1,000 psi	1,000 psi	3,000 psi	1340 PSI

SUMMARY: Plug and abandon wellbore according to BLM regulations.

- 1) MIRU plugging company. Set open top steel pit for plugging.
- 2) POOH LD rods and pump.
- 3) ND WH and NU 3K manual BOP. Function test BOP.
- 4) POOH 2-3/8" tbg.
- 5) MIRU WLU, RIH GR sized for 4-1/2" to 2,130'; RIH set CIBP at 2074', run CBL to surface; pressure test to 500 PSI for 30 minutes.
- 6) Run CBL from 2074' to surface. Send CBL results to engineering and BLM.
- 7) ND BOP and NU Wellhead, RDMO.

Steps 8 and forward will be completed with P&A rig within 90 days from RDMO.

- 8) MIRU plugging unit company. Set open Steel Pit for plugging
- 9) ND WH and NU 3K manual BOP. Function test BOP.
- 10) Dump bail 35' Class C cement from 2074' to 2039'. WOC and tag to verify TOC.(T/Perf)
- 11) MIRU WLU, perforate at 1265'.
- 12) Squeeze ~127 SKS Class C cement from 1265' to surface. (T/Salt, Surface Casing Shoe) Spot 86 sxs class C cement inside from 1265' to surface.
- 13) ND BOP and cut off wellhead 5' below surface. RDMO PU, transport trucks, and pump truck.
- 14) Set P&A marker.
- 15) Pull fluid from steel tank and haul to disposal. Release steel tank.

REVISED

1:51 pm, Feb 24, 2025

Hondo Federal #001

30-015-01513

Elevation 3,668'
Spud 3/14/629-7/8" (?) hole size @ 305' (3/14/62)
8 5/8" 24# @ 305'

Cmt w/ 50 sx

T/Salt 305'
B/Salt 455'
Yates 915' (?)
Penrose 1610' (?)
Queen 2124' (?)6-1/8" (?) hole size @ 2,152'
4 1/2" 10.5# @ 2,152'

Cmt w/ 125 sx

TOC 1294' Estimated

Tubing
2-3/8" tbg EOT @ 2074'
(as of 4/14/62)

Perfs: 2124' -2130'

PBTD 2,152'
TD 2,152'

REVISED

1:51 pm, Feb 24, 2025

Hondo Federal #001 Proposed WBD

T/Salt 305'
 B/Salt 455'
 Yates 915' (?)
 Penrose 1610' (?)
 Queen 2124' (?)

8 5/8" @ 305'

4 1/2" 10.5# @ 2,152'
 TOC 1294' estimated

Tubing
 2-3/8" tbg EOT @ 2074'
 (as of 4/14/62)

Perfs: 2124' -2130'

30-015-01513

Elevation 3,668'
 Spud 3/14/62

Perf and circulate 213 SKS Class
 C cement from 1265' to surface. (In 86 sxs/Out
 127 sxs)

Run CBL from CIBP to surface.

CIBP @ 2074' w/dump bail 35'
 Class C cement from 2074' to
 2,039'. WOC and tag.

PBTD 2,152'
 TD 2,152'

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary-Designate

Benjamin Shelton
Deputy Secretary (Acting)

Gerasimos Razatos, Division Director (Acting)
Oil Conservation Division



BY ELECTRONIC MAIL

Amanda Garcia
Regulatory Supervisor
ExxonMobil Upstream Company
XTO Energy
6401 Holiday Hill Road
Midland, Texas 79707

Re: Oil Conservation Division Authorization for ExxonMobil Upstream Company to Plug and Abandon Well(s)

Ms. Garcia:

The Oil Conservation Division ("OCD") received your request of November 11, 2024, requesting authorization for ExxonMobil Upstream Company ("XTO"), to plug and abandon the following wells: Artesia State #001, API # 30-015-24256; Hondo Federal, API # 30-015-01513; and State D #001, API # 30-015-24717. Sellers & Fulton, LLC, ("S&F") is the registered operator of these wells and XTO is the leaseholder where the well is located. As the leaseholder, XTO Energy may be deemed a responsible operator for purposes of plugging and remediation activities or for indemnification of costs incurred by OCD for such activities.

On November 27, 2024, OCD issued Final Order No. R-23566 ("R-23566"). R-23566 setting forth plugging compliance deadlines to be met by S&F. That R-23566 is incorporated herein as though set forth in full.

OCD hereby authorizes XTO, to plug and abandon the above-identified well on OCD's behalf pursuant to its authority under R-23566.

Please contact Assistant General Counsel, Christy Treviño at (505)-607-4524 or Christy.Trevino@emnrd.nm.gov, with questions, including the submission of plugging sundries as OCD will not be transferring operatorship to you and will need to place the plugging sundries into the well files.

Regards,

Gerasimos Razatos
Director (Acting)

1/24/2025

Date

cc: EMNRD-OGC

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**OIL CONSERVATION DIVISION,
PETITIONER**

v.

**SELLERS & FULTON OIL, LLC
RESPONDENT**

**CASE NO. 24905
ORDER NO. R-23566**

ORDER

This matter came before the Director of the New Mexico Oil Conservation Division (“Division” or “OCD”) on the Notice of Violation (“NOV”) dated on or about August 16, 2024, issued to Sellers & Fulton Oil, LLC OGRID #371978 (“Respondent”). The Division’s Hearing Examiner conducted a public hearing on November 21, 2024. The Director, having considered the testimony and evidence presented, and being otherwise fully advised in the premises **FINDS, CONCLUDES AND ORDERS:**

FINDINGS OF FACT

- 1) The Division has jurisdiction over the parties and the subject matter herein.
- 2) On or about August 16, 2024, the Division issued a NOV, which alleged 3 categories of ongoing violations as demonstrated by OCD Ex.4:
 - a) Respondent is the operator of record of 36 inactive wells which the Division showed were not “plugged and abandoned” or placed into “temporary abandonment status.” OCD Ex. 3-A. Under 19.15.5.9(A)(4)(a) NMAC Respondent was not permitted to have more than two inactive wells out of compliance. 19.15.25.8 NMAC requires inactive

wells be plugged and abandoned or placed into approved temporary abandonment status.

- b) Respondent was in violation of 19.15.8.9 NMAC by lacking financial assurance for twenty wells. OCD Ex. 3-B.
 - c) Respondent was in violation of 19.15.7.24 NMAC by not filing the required monthly production reports (Form C-115). OCD Ex 3-C. Respondent last filed Form C-115 for any well in September of 2021.
- 3) The NOV outlined the following relief:
- a) Respondent shall plug and abandon all thirty-six wells listed in OCD Ex. 3-A within 30 days after the issuance of this Order or failing to do so, the Division would assume the liability,
 - b) Respondent's financial assurance is hereby forfeited,
 - c) Respondent's authority to transport from the thirty-six registered wells identified in OCD Ex. 3-A is hereby terminated, and
 - d) Respondent is hereby held civilly liable for violations of 19.15.5.9(A)(4)(a), 19.15.8.9 and 19.15.7.24 NMAC in the amount of \$89,100.00.
- 4) The NOV informed Respondent of OCD's informal resolution process. Respondent did contact the Division during the informal resolution period, however failed to provide any evidence that the alleged violations had not occurred.
- 5) Respondent did not file a prehearing statement to enter an appearance or otherwise present evidence pursuant to 19.15.5 NMAC.

- 6) On August 14, 2024, OCD filed and served the Docketing Notice and formally requested a hearing. Respondent did not answer the NOV in conformance with 19.15.5.10(E)(2)(b) NMAC.
- 7) The Division provided Respondent with notice of the November 7, 2024, hearing pursuant to 19.15.5.10 NMAC. The November 7, 2024 hearing was continued to November 21, 2024 due to inclement weather state office closure. Respondent was immediately informed of the date change of the hearing. Respondent offered no indication as to whether he would appear virtually or in person.
- 8) At the hybrid hearing (in-person at Pecos Hall in Santa Fe, NM and virtually through Microsoft Teams) the NOV was the first agenda item on November 21, 2024, and the Hearing Examiner announced the case several times providing Respondent with the opportunity to be heard. Respondent did not appear virtually or in person.
- 9) The Division presented the Affidavits of Nicholas Karns, Compliance Officer and Bond Administrator with the Division's Administrative and Compliance Bureau, and Sara Griego, OCD Law Clerk.
- 10) The Division provided evidence of notice of the Docketing Statement. OCD Ex. 5.
- 11) Eight Exhibits were admitted into evidence without objection in support of the NOV.
- 12) Mr. Karns, who was previously qualified as an expert in administrative compliance before the Division, provided the following evidence in support of the ongoing violations:
 - a) As of November 21, 2024, Respondent remained out of compliance with the inactive well requirements of 19.15.5.9(A)(4)(a) NMAC. Respondent was the registered

operator of 36 wells, all of which were inactive and not plugged and abandoned or placed in approved temporary abandonment status. OCD Ex. 3-A.

b) Respondent remained out of compliance with 19.15.8.9 NMAC by lacking financial assurance for twenty wells. OCD Ex. 3-B.

c) Respondent remained out of compliance with 19.15.7.24 NMAC, because Respondent had not filed the required C-115 production reports since September 2021. OCD Ex 4-C.

13) The Oil and Gas Act provides that “[i]n assessing a penalty authorized by this section, the division shall take into account the seriousness of the violation, any good faith efforts to comply with the applicable requirements, any history of noncompliance under the Oil and Gas Act and other relevant factors.” NMSA 1978, § 70-2-31(C). OCD provided evidence that the penalties were reasonable and lawful. OCD Ex. 3-D.

CONCLUSIONS OF LAW

14) The Division met its burden to show by a preponderance of evidence that:

a) Respondent has violated 19.15.5.9(A)(4)(a) NMAC by failing to plug and abandon 36 inactive wells.

b) Respondent has violated 19.15.8.9 NMAC by lacking financial assurance for twenty (20) of the subject wells.

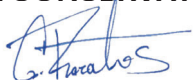
c) Respondent has violated 19.15.7.24 NMAC by failing to submit the required C-115 forms for all subject wells.

- 15) The civil penalties calculated by the Division are lawful, reasonable under 19.15.5.10(B) NMAC, and supported by the evidence in the Administrative and Hearing Records.

ORDER

- 16) Respondent's authority to transport from subject wells is hereby suspended until such time as Respondent is compliant with this Order and the N.M. Oil and Gas Act.
- 17) Respondent shall plug and abandon all 36 listed in OCD Ex. 3-A no later than 30 days after issuance of this Order.
- 18) Respondent is hereby liable for civil penalties in the amount of \$89,100.00.
- 19) If Respondent fails to plug and abandon the subject wells as directed herein, the Division is hereby authorized to plug and abandon the wells and to forfeit the financial assurance for the wells. Such plugging activities may include necessary reclamation or remediation work associated with wells that have been partially plugged and abandoned, Respondent shall pay the excess costs to plug and abandon the wells no later than 30 days after actual or attempted service of the Division's written demand. If the excess costs to the Division are not received, the Division may seek indemnification.
- 20) The Division retains jurisdiction of this matter for the entry of such further orders as it may deem necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**GERASIMOS RAZATOS
ACTING DIRECTOR**

**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 575-689-5981.

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 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 for Class C or accelerated cement (calcium chloride) and 6 hours for Class H. 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.

Fluid used to mix the cement in R111Q shall be saturated with the salts common to the section penetrated, and in suitable proportions but not less than 1% and not more than 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible.

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 *BY PHONE* (numbers listed in 2. Notifications) 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 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

Sundry ID

2837976

Plug Type	Top	Bottom	Length	Tag	Sacks	Cement Class	Notes
Top of Salt @ 1	-49.01	51.00	100.01	Tag/Verify			
Fresh Water @ 8	-42.08	58.00	100.08	base no			
Surface Plug	0.00	100.00	100.00	Tag/Verify			
8.625 inch- Shoe Plug	251.95	355.00	103.05	Tag/Verify			
Base of Salt @ 490	435.10	540.00	104.90	Tag/Verify			
Yates @ 622	565.78	672.00	106.22	base no need to Tag (CIBP			
Queen @ 1215	1152.85	1265.00	112.15	If solid base no need to Tag (CIBP present and/or Mechanic al Integrity Test), If Perf & Sqz then Tag, Leak Test all CIBP if no Open Perforatio ns	213.00	C	Perf and squeeze from 1265' to surface. (In 86 sxs/Out 127 sxs)
CIBP Plug	2039.00	2074.00	35.00	If solid base no need to Tag (CIBP present and/or Mechanic al Integrity Test), If Perf & Sqz then Tag, Leak Test all CIBP if no Open Perforatio ns	3.00	C	Set CIBP at 2074'. Dump bail 35' on top. Leak test CIBP.
Perforations Plug (If No CIBP)	2058.70	2180.00	121.30	Tag/Verify			
San Andres @ 2150	2078.50	2200.00	121.50	base no			
4.5 inch- Shoe Plug	2080.48	2202.00	121.52	Tag/Verify			

No more than 2000' is to be allowed between plugs in open hole, and no more than 3000' between plugs in cased hole.

Class H >7500'

Class C <7500'

Fluid used to mix the cement in R111P shall be saturated with the salts common to the section penetrated, and in suitable proportions, but not more than 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible.

Medium, Secretary: Top of salt to surface If no salt take the deepest fresh water or Karst Depth

High, Critical: Bottom of Karst to surface or Deepest fresh water, whichever is greater

R111P: 50 Feet from Base of Salt to surface.

Class C: 1.32 ft³/sx

Class H: 1.06 ft³/sx

Onshore Order 2.III.G Drilling Abandonment Requirements: "All formations bearing usable-quality water, oil, gas, or geothermal resources, and/or a prospectively valuable deposit of minerals shall be protected.

<u>Cave Karst/Potash Cement Requirement:</u>	<u>Medium</u>	<u>Top of Salt to surface</u>	
8.625 inch- Shoe Plug @	305.00		
4.5 inch- Shoe Plug @	2152.00	TOC @	1294.00
Perforatons Top @	2124.00	Bottom @	2130.00
		CIBP @	2074.00

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 435263

CONDITIONS

Operator: XTO ENERGY, INC 6401 Holiday Hill Road Midland, TX 79707	OGRID: 5380
	Action Number: 435263
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
loren.diede	After discussions with BLM, NMOCD is modifying the P&A plan as follows:	3/24/2025
loren.diede	Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations.	3/24/2025
loren.diede	After placing Plug # 1, pressure test casing and run CBL.	3/24/2025
loren.diede	Submit tif file copy of CBL to NMOCD for submission into the Well Log File.	3/24/2025
loren.diede	The Queen formation top at 1408' is to be covered. Depending on the results of the CBL, place a balanced plug from 1458' to 1358'. WOC and tag plug.	3/24/2025
loren.diede	After placement of the Queen P&A plug, cover the 7 Rivers, Yates, Base of and Top of Salt by perforating at 902'. Squeeze cement from 902' to surface.	3/24/2025
loren.diede	Set P&A marker as per BLM. Submit P&A marker photo and GPS coordinates with the subsequent P&A report.	3/24/2025