

Well Name: KELLY FC	Well Location: T27N / R13W / SEC 12 / SENW / 36.592706 / -108.173827	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: OTHER	Allottee or Tribe Name: EASTERN NAVAJO
Lease Number: N0G98111313	Unit or CA Name: 2 KELLY FC - W/2 FRCL	Unit or CA Number: NMNM104851
US Well Number: 300453366200S1	Operator: PETRO MEX LLC	

Notice of Intent

Sundry ID: 2781601

Type of Submission: Notice of Intent

Date Sundry Submitted: 04/01/2024

Date proposed operation will begin: 04/05/2024

Type of Action: Plug and Abandonment

Time Sundry Submitted: 09:22

Procedure Description: Move in rig, spot 100' cement over perms. Come up hole spot 100' cement to surface. Cut off well head, weld on dry marker. Remove all equipment off location, reclaim location and reseed. before and post well bore diagrams attached

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- Kelly_FC_2_Post_diagram_20240401091906.pdf
- Kelly_FC_2_current_diagram_20240401091846.pdf

Received by OCD: 4/23/2025 9:52:18 AM

Well Name: KELLY FC

Well Location: T27N / R13W / SEC 12 /
SENW / 36.592706 / -108.173827

County or Parish/State: SAN
JUAN / NM

Well Number: 2

Type of Well: OTHER

Allottee or Tribe Name:
EASTERN NAVAJO

Lease Number: N0G98111313

Unit or CA Name: 2 KELLY FC - W/2
FRCL

Unit or CA Number:
NMNM104851

US Well Number: 300453366200S1

Operator: PETRO MEX LLC

Conditions of Approval

Additional

Kelly_FC_2_Geo_Rpt_20240404094314.pdf

Authorized

General_Requirement_PxA_20240404110156.pdf

Kelly_FC_2_2781601_NOIA_COAs_KGR_04042024_20240404110146.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: SUSAN WILSON

Signed on: APR 01, 2024 09:19 AM

Name: PETRO MEX LLC

Title: Secretary

Street Address: 5976 US HWY 64

City: FARMINGTON State: NM

Phone: (505) 801-6432

Email address: SUSAN.64.WILSON@GMAIL.COM

Field

Representative Name: LINN WILSON

Street Address: PO BOX 6724

City: FARMINGTON State: NM Zip: 87499

Phone: (505)486-5557

Email address: linn_wilson@sisna.com

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 04/04/2024

Signature: Kenneth Rennick

Form 3160-5 (June 2019)	UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2021
SUNDRY NOTICES AND REPORTS ON WELLS <i>Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.</i>		5. Lease Serial No. N0G98111313
		6. If Indian, Allottee or Tribe Name EASTERN NAVAJO

SUBMIT IN TRIPLICATE - Other instructions on page 2		7. If Unit of CA/Agreement, Name and/or No. 2 KELLY FC - W/2 FRCL/NMNM104851
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		8. Well Name and No. KELLY FC/2
2. Name of Operator PETRO MEX LLC		9. API Well No. 3004533662
3a. Address P.O. BOX 6724, FARMINGTON, NM 87499	3b. Phone No. (include area code) (505) 634-1500	10. Field and Pool or Exploratory Area Basin Fruitland Coal/BASIN FRUITLAND COAL
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) SEC 12/T27N/R13W/NMP		11. Country or Parish, State SAN JUAN/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 recompleate 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 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 detennined that the site is ready for final inspection.)

Move in rig, spot 100' cement over perms. Come up hole spot 100' cement to surface. Cut off well head, weld on dry marker. Remove all equipment off location, reclaim location and reseed. before and post well bore diagrams attached

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) SUSAN WILSON / Ph: (505) 801-6432	Title Secretary
Signature (Electronic Submission)	Date 04/01/2024

THE SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by KENNETH G RENNICK / Ph: (505) 564-7742 / Approved	Title Petroleum Engineer	Date 04/04/2024
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 FARMINGTON	

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington District Office
6251 College Boulevard, Suite A
Farmington, New Mexico 87402
<http://www.blm.gov/nm>



April 4, 2024

CONDITIONS OF APPROVAL

Sundry Notice of Intent ID # 2781601 Request to Plug and Abandonment

Operator:	Petro Mex LLC
Lease:	NOG98111313
Agreement:	NMNM104851
Well(s):	Kelly FC 2, US Well # 30-045-33662
Location:	SENW Sec 12 T27N R13W (San Juan County, NM)

CONDITIONS OF APPROVAL

1. Plugging work must be completed by October 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 determine top of cement behind casing. Send results to Kenneth Rennick, krennick@blm.gov, and Matthew Kade, mkade@blm.gov. Modifications to the procedure may be required.
 - b. Extend the plug that covers the perforations (Plug 1) to at least 1152 ft. To account for the perforation interval top and the Pictured Cliffs top at 1264 ft.
 - c. Add a plug for the Fruitland Formation top at 931 ft. This plug (Plug 2) must extend at least 981 ft to 831 ft.
 - d. Confirm depth of surface casing, multiple depths were presented in the notice and attachments. Send this confirmation to Kenneth Rennick, krennick@blm.gov, and Matthew Kade, mkade@blm.gov. Modifications to the procedure may be required.
 - e. If depth of surface casing is 205 ft as indicated in the well files, set the surface plug (Plug 3) from 295 ft to surface. This will cover the Kirtland Formation top (245 ft), surface casing shoe, and Ojo Alamo Formation top (45 ft). This may have to be an inside/ outside plug, with perforations included, depending on results of the CBL.
4. Farmington Office is to be notified at least 24 hours before the plugging operations commence at (505) 564 7750.
5. Before or within 30 days after completing work, Petro Mex LLC must contact a BLM Farmington Field Office surface inspection staff to schedule a reclamation onsite.

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 04/04/2024

BLM - FFO - Geologic Report

Date Completed

4/3/2024

Well No. Kelly FC # 2 Surf. Loc. 1550 FNL 1680 FWL
Sec 12 T27N R13W
Lease No. N0G98111313
Agrmt No NMNM104851
Operator Petro Mex LLC County San Juan State New Mexico
TVD 5620 PBTD 1431 Formation Basin Fruitland Coal
Elevation GL 5815 Elevation Est. KB 5820

Geologic Formations	Est. tops Subsea Elev.		Remarks
Nacimiento Fm.	Surface		Surface /fresh water sands
Ojo Alamo Ss	45	5775	Fresh water aquifer
Kirtland Fm.	245	5575	
Fruitland Fm.	931	4889	Coal/gas/possible water
Pictured Cliffs	1264	4556	Possible gas/water
Lewis Shale (Main)	1424	4396	Source rock
Huerfanito Bentonite	1724	4096	Reference bed

Remarks:

Reference Well:

-Vertical wellbore, all formation depths are TVD from KB at the wellhead.

- The procedure describes Plug 1 extending from the PBTD to a TOC 100' above the PBTD. This TOC is 1331'. The top of the Pictured Cliffs is at 1264' and the top of the perforations are at 1202' . The TOC for this plug must be extended to at least 1152' to account for the perforations top, which will cover the PC top as well.

-Add a plug for the Fruitland Formation top at 931'. This plug (Plug 2) must extend at least from 831' to 981'.

- The tops for the Ojo Alamo and the Kirtland Shale were not included in the procedure. The surface plug (Plug 3) must be modified to account for these formation tops.

- The surface casing has three different depths referenced for the casing bottom: 100', 205', and 908'. The 205' value is likely the correct one but the operator must confirm this before the P&A procedure can be approved.

- The current well bore diagram shows no outside cement from the surface to an undetermined depth below the surface casing shoe. This is within the Ojo Alamo and Kirtland Shale zone- this cement coverage must be determined and Plug 3 altered accordingly.

- The surface plug (Plug 3) bottom must be placed at 295' to account for the Kirtland Shale formation top and extend to the surface to account for the Ojo Alamo formation top.

Benson, Montin, Greer
Davis Gas Com 1X
1650 FNL, 1650 FWL
12F, 27N, 13W
GL= 5814', KB= 5826'

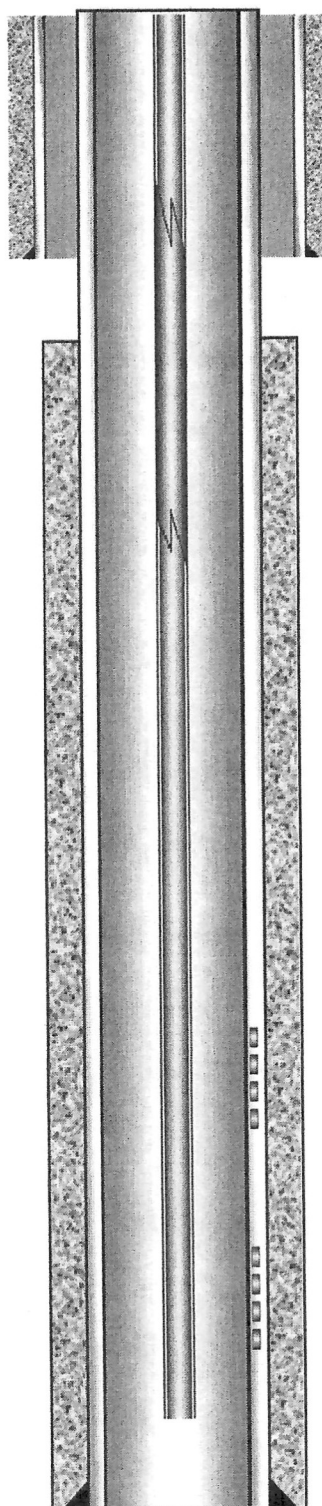
Prepared by: Walter Gage

Kelly FC #2

Field: Basin Fruitland Coal

GL: 5815'
KB: 5' AGLCasing Head: Larkin Fig 92, 2M x 8-5/8"
w/ 2 - 2" LPOTubing Head: Larkin MR, 2M x 5-1/2"
8rd Female x 2-3/8" EUE 8rd mandrel
w/ 2 - 2" LPOCompanion Flange to RU: 7-1/16" 3M x
8-5/8" API Modified

12-1/4" Hole

8-5/8" 24# J-55 (5-Jts) @ 205'Cmt'd w/ 170-sxs Type V cmt
3% CaCl-2 + 1/4#/sx CF - Circ 62-sxs**Fruitland Top @ 908'****Marker Jt: 1057 - 1076'****Hole - 7-7/8"**Deviations: 200' - 0.50 deg
700' - 1.00 deg
1200' - 1.25 deg
1465' - 1.25 deg**Capacities:**2-3/8" 4.7#: 0.00387-Bbl/Ft
5-1/2" 15.5#: 0.0238 - Bbl/Ft
5-12/" x 2-3/8": 0.0183 - Bbl/Ft**Basal Coal Top @ 1250'****PC Top @ 1272'****PC Base @ 1406'**Meter # - 86-818-01
API # 30-045-33662
Lease # NO-G-9811-13131550' FNL & 1680' FWL
Sec. 12-F, T27N-R13W
San Juan Co., New Mexico36 deg, 35 min, 33.9 sec N Latitude
108 deg, 10 min, 25.8 sec W LongitudeLogs: OH - Jet West (8-29-06): Compensated
Density (1419-0')
Cased: GR-CCL-NEUTRON
(1422-0'): Dec 28, 2006Tubing: OE'd MA(16.10') pinned at btm w/ 3/4"
hole @ top, SN, 41-Jts 2-3/8" J-55, EOT @
1330', SN @ 1313'. (Last pulled: 3/17/10)Rods & Pump: (Last pump chg: 3/18/10)
2" x 1-1/4" x 18' RWBC 3-Tube w/ 3' screen,
4 - 1-1/4" sinker bars, 47 - 3/4" rods, no
rod subs, 1-1/4" x 16' polished rod &
1-1/4" x 1-1/2" x 8' polished rod liner.**Fruitland Coal Perfs:**1252-64', 1202-08' w/ 4-SPF
TOTAL: 18' & 72-HolesFrac'd w/ 12,306-Gals 65Q N-2 Foam w/ 20#
Linear base + 45,000# 20/40 Brady SD, SD
ramped 1 - 3.5 PPG, Avg Q 37-BPM,
ATP=1764#, ISIP = 1240#

(Fruitland Coal zone frac'd Apr 30, 2007)

Tagged @ 1421' (3/17/10)
PBTD = 1431' (Float Collar)

TD = 1485'

GOP confirmed 03/18/2010

5-1/2" 15.5# J-55 @ 1472'Lead Slurry=125-sxs Type V cmt w/
2% SMS, 1/4#/sx CF + 3#/sx Pheno-Seal
Tail Slurry=105-sxs Type V cmt w/
2% CaCl-2, 1/4#/sx CF, + 2#/sx
Pheno-Seal
Circ: 35-sxs cmt to surface

**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 H₂S.

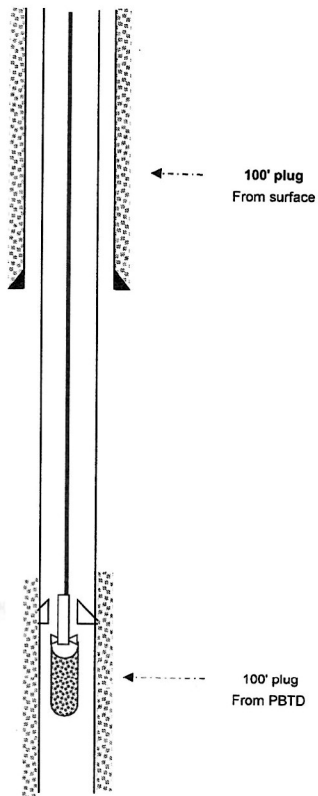
8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), through the Automated Fluid Minerals Support System (AFMSS) with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should 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.

Well Name:		Date: 3/22/2024						
Location: Kelly FC#2		Field:		Formation:		Fruitland coal		
County: San Juan NM								
			Size, in	Wgt, lb/ft	Grade	Hole Size	Depth	Sx. Cmt.
GL: 5815'		Surf. Csg:	8 5/8	24#	J55	12 1/4	908'	170
KB: 5' AGL		Casing:	5 1/2	15.5#	J55	7 7/8	1472'	230
Spud:	KOP:	Lateral:						
TVD:	PBTD: 1431'	Lateral:						

[illegible]

Additional Information

Location of Well

0. SHL: SENW / 1550 FNL / 1680 FWL / TWSP: 27N / RANGE: 13W / SECTION: 12 / LAT: 36.592706 / LONG: -108.173827 (TVD: 0 feet, MD: 0 feet)

BHL: SENW / 1550 FNL / 1680 FWL / TWSP: 27N / SECTION: / LAT: 36.592706 / LONG: 108.173827 (TVD: 0 feet, MD: 0 feet)

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Dylan M. Fuge
Deputy Secretary

Dylan M. Fuge, Division Director (Acting)
Oil Conservation Division



NOTICE

NEW MEXICO PLUG AND ABANDON CONDITIONS OF APPROVAL

Effective January 1, 2024

The New Mexico Oil Conservation Division (“OCD”) is announcing the release of its updated Plugging and Abandoning Conditions of Approval (“COA”). These COAs will bring consistency throughout the state and formalize existing practice in the field that are already being required by OCD and performed by Operators. OCD staff reviewing plans are directed to implement these COA’s are throughout the entire State of New Mexico, except when circumstances warrant modifications or additional requirements as dictated by specific plugging project conditions, which determines are left solely to OCD.

For the most part, these updates simply consolidate current practice to ensure it applied uniformly state-wide. The most significant changes from existing practice are as follows:

- **Logs.**
 - A Cement Bond Log is required to ensure isolation of producing formations, protection of water and correlative rights. A CBL must be run or be on file that can 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 the Compliance Officer Supervisor for faster review times, but email transmittal does not relieve the requirement for an operator to file through OCD permitting.

- **Cement:**
 - A table has been included which indicates the Class of cement and its allowed lower limits. This table is intended to align OCD requirements with applicable API standards and the Haliburton Redbook.
 - We are also standardizing practices with respect to cement waiting times:
 - 4 hours for accelerated (calcium chloride) cement.
 - 6 hours on regular cement.

- **Formations:**

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.nm.gov

- The COAs now include appendices for geological formation tops that shall be plugged.

The updated plugging COAs are attached to this notice. These COAs are effective for plugging operations for any NOI C-103F submitted on or after January 1, 2024, unless OCD determines that a modification or additional COAs are necessary based on specific plugging project conditions.

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 454719

CONDITIONS

Operator: PATRICK HEGARTY 195 Lockes Mountain Road Durango, CO 81301	OGRID: 370732
	Action Number: 454719
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
loren.diede	Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations.	4/23/2025
loren.diede	Submit a photo of the P&A marker and the GPS coordinates of the marker with the subsequent P&A report.	4/23/2025
loren.diede	If cement is to be "bullheaded" down the 5 1/2" casing prior approval from NMOCD will be required. Approval to bullhead cement may be granted pending results of an injectivity pump rate and pressure. If bullheading cement into the formation is not successful, drilling out the cement in the wellbore may be required.	4/23/2025
loren.diede	NMOCD concurs with BLM COAs for this well.	4/23/2025