Form 3160-5 (August 2007) MAY 29 2019

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010

BUREAU OF LAND MANAGEMENT

5. Lease Serial No. NMNM89879

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an

Do not use this for abandoned well. Us	6. If Indian, Allottee or Tribe Name		
		er instructions on page 2.	7. If Unit of CA/Agreement, Name and/or No.
Oil Well Gas Well 2. Name of Operator Hudson Oil Company of Texas	Other		8. Well Name and No. Shugart B #2
3a. Address 616 Texas Street Fort Worth, Texas 76102 4. Location of Well (Footage, Sec., T.,R.,M. 660' FNL & 660' FEL, Unit A, Section 15, T18S, R31E	f., or Survey Description	3b. Phone No. (include area code) 817-336-7109	9. API Well No. 30-015-05553 10. Field and Pool or Exploratory Area Shugart Yates S.R. & G.R 11. Country or Parish, State Eddy County, New Mexico
12. CHECK T	HE APPROPRIATE BO	OX(ES) TO INDICATE NATURE OF NOTI	CE REPORT OF OTHER DATE.
TYPE OF SUBMISSION			
Notice of Intent	Acidize Alter Casing		uction (Start/Resume) Water Shut-Off
Subsequent Report Final Abandonment Notice	Casing Repair Change Plans Convert to Injection	New Construction ☐ Recci	amation Well Integrity omplete Other coorarily Abandon
the proposal is to deepen directionally or	on: Clearly state all per recomplete horizontall	tinent details, including estimated starting day	er Disposal e of any proposed work and approximate duration thereof. If

contally, 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

Please see attached



RECLAMATION PROCEDURE ATTACHED

RECLAMATION DUE 4-8-19

			DUL	
I hereby certify that the foregoing Name (Printed/Typed) Randall Hudson III	g is true and correct.	Title President		
Signature	THIS SDAOF FOR THE	Date 10/10/2018		
Approved by	THIS SPACE FOR FE	EDERAL OR STATE OFFICE	USE	
Conditions of approval, if any, are attacthat the applicant holds legal or equitabentitle the applicant to conduct operation	hed. Approval of this notice does not warran le title to those rights in the subject lease which is thereon.	ch would Office	Date	7/8/18

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)

HUDSON OIL COMPANY OF TEXAS 616 TEXAS ST. FORT WORTH, TX 76102

Shugart B #2 Unit L, 660' FNL & 660' FEL, SEC. 15, T18S - R31E, Eddy Co., NM

STOOD BACK ALL TBG 4 3 ½ COLLARS 5 JTS OF 4 ½ PIPE LD 4 ½ SHOE RIH W/ WIRWLINE AND 4 ½ SWAGE COULDN'T GET IT PAST 2280' POOH RIH W/ 4 11/16 OVERSHOT 2 7/8 GRAPPLE AND 2 7/8 TBG TAG @ 3597' COULDN'T GET ANY DEEPER POOH STOOD BACK 5 STANDS CLOSE IN WELL AND SD

- DROVE CREW TO LOC SAFETY MEETING RU ROTARY WIRELINE RIH W/2 7/8 TBG CUTTER TO 2130' AND CUT TBG POOH WORKED TBG FREE POOH STOOD BACK ALL TBG LD OVERSHOT AND 8' PIECE OF 2 7/8 TBG RIH W/2 7/8 TBG OPEN ENDED W/2 7/8 COLLAR ON BOTTOM TAG TOP OF FISH SCREWED ON FISH WORKED TBG FREE POOH STOOD BACK ALL TBG LD 3 MORE JTS AND 24' PIECE OF 2 7/8 TBG RIH W/4 ½ SHOE 5 JTS OF 4 ½ PIPE 4 3 ½ DRILL COLLARS RIH W/2 7/8 TBG TAG @2130' DRILLED FROM 2130' 2152' CIRC HOLE CLEAN LD SWIVEL POOH STOOD BACK 6 STANDS CLOSE IN WELL AND SD
- DROVE CREW TO LOC SAFETY MEETING RIH W/ 2 7/8 TBG TO 2059'
 PU 1 JNT W/ SWIVEL CIRC HOLE DRILLED FROM 2059' 2130' CIRC
 HOLE CLEAN POOH STOOD BACK 29 STANDS OF 2 7/8 TBG 4 3½
 DRILL COLLARS LD 4½ SHOE RIH W/ 4 11/16 OVER SHOT AND 2 7/8
 GRAPPLE TO 2005 LATCH ON TBG TRIED TO WORK TBG FREE
 COULDN'T GET IT FREE RI WIRELINE RIH W/ 2" BAR TAG @ 2220'
 POOH CLOSE IN WELL AND SD
- 9/28/18 DROVE CREW TO LOC SAFETY MEETING PU SINGLE JTS OF 2 7/8 TBG TO 1844' PU SWIVEL CIRC HOLE PU SINGLE JTS W/ POWER SWIVEL TAG @1997' DRILLED FROM 1997' 2059' CIRC HOLE CLEAN LD SWIVEL POOH STOOD BACK 6 STANDS OF 2 7/8 TBG CLOSE IN WELL AND SD
- 9/27/18 SAFETY MEETING IN HOBBS YARD DROVE CREW TO LOC SAFETY MEETING FIND HOLE ON 5 ½ CASING @ 3' COVER HOLE PMP 20 SX ON CELLAR IN ORDER TO COVER HOLE WAITED ON TOOLS PU TIH W/ 4 ½ SHOE 4 JTS OF 4 ½ WASH PIPE 4 3 ½ DRILL COLLARS 25 STANDS OF 2 7/8 TBG RU REVERSE UNIT CLOSE IN WELL AND SD

DUKEAU OF LAND MANAGEMENT

Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm Page 3 of 7
TAKE FRIDES
INAMERICA

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 predisturbance 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 and 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 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.

- 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 filling the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filling 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 equipment to enter 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 575-234-5909, 575-361-2648 (Cell)

Arthur Arias Environmental Protection Specialist 575-234-6230

Crystal Weaver Environmental Protection Specialist 575-234-5943

Melissa Horn Environmental Protection Specialist 575-234-5951

Kelsey Wade Evonronmental Protection Specialist 575-234-5996

Trishia Bad Bear, Hobbs Field Station Natural Resource Specialist 575-393-3612

Shugart B2 Plugging Record

09/21/18 Moved rig to location.

09/24/18 POH w/ rods & pump. Dug out cellar. ND Well head, NU BOP.

09/25/18 RIH w/ guage ring, could not get past 3400'. RIH w/ tbg to 4100'. Spotted 35 sx class C cmt @ 4100-3754'. (Per Mustafa Haque w/ BLM's request). WOC. No tag. Re-spotted 35 sx class C cmt @ 4100-3754'.

09/26/18 RIH w/ tbg, tbg stuck. Ran wireline inside of tbg, tagged out @ 2210'. RU Rotary Wireline. RIH w/ wireline, free point @ 2000'. Cut tbg @ 2000'. POH w/ 64 jts of tbg.

09/27/18 Found hole on 5 1/2" csg @ 3', repaired hole. RIH w/ 4 1/2" shoe, 4 jts of 4 1/2" wash pipe, 4 3/2" drill collars, & 25 jts of 2 7/8" tbg. RU reverse unit.

09/28/18-10/04/18 Fished tbg out of hole. Drilled out hole to 2367' Circulated hole clean & POH. RIH open ended, tagged plug @ 3725'. Set 5 1/2" CIBP @ 3300'. 10/05/18 Circulated hole w/ MLF. Pressure tested csg, held 500 psi. Spotted 25 sx class C cmt @ 3300-3053'. Perf'd csg @ 2050'. Pressured up to 600 psi. Spotted 30 sx class C cmt @ 2100-1804'. WOC. Tagged plug @ 1824'. Perf'd csg @ 950'. Pressured up on perfs to 600 psi. Spotted 35 sx class C cmt @ 1000-654'. WOC. 10/08/18 Tagged plug @ 657'. Perf'd csg @ 60'. Pressured up to 600 psi. ND BOP. Spotted 20 sx class C cmt @ 110' & circulated to surface. Rigged down & moved off. 10/12/18 Moved in backhoe and welder. Dug out cellar. Cut off well head. Verified cement to surface. Welded on "Below Ground Dry Hole Marker". Backfilled cellar. Cut off deadmen. Cleaned location, moved off.

Formation

Anhy

T/Salt

B/Salt

Queen

Top

775

830

1985

3335

	Hudson Oil Company of Texas		PLUGGED	
Author:	Abby @ BCM			
Well Name	Shugart B	Well No.	#2	
Field/Pool	Shugart; Y-7R-Q-GB	API #:	30-015-05553	
County	Eddy	Location:	Sec 15, T18S, R31E	
State	New Mexico	_	660 FNL & 660 FEL	
Spud Date	3/21/1957	GL:	3717	

Description	O.D.	Grade	Weight	Depth	Hole	Cmt Sx	TOC
Surface Csg	8 5/8		24#	761	12 1/4	200	0
Prod Csg	5 1/2		14#	4,111	7 7/8	1,200	0

Plug #5: Perf'd csg @ 60'. Pressured up. Spotted 20 sx class C cmt @ 110' & circulated to surface.

8 5/8 24# CSG @ 761 Hole Size: 12 1/4

Plug #4: Perf'd csg @ 950'. Pressured up on perfs to 600 psi. Spotted 35 sx class C cmt @ 1000-654'. WOC & tagged plug @ 657'.

Plug #3: Perf'd csg @ 2050'. Pressured up to 600 psi. Spotted 30 sx class C cmt @ 2100-1804'. WOC & tagged plug @ 1824'.

Plug #2: Set 5 1/2" CIBP @ 3300'. Spotted 25 sx class C cmt @ 3300-3053'.

Perfs @ 3362-3376'

RIH w/ guage ring, tagged out @ 3400'. RIH w/ tbg to 4100'. Spotted 35 sx class C cmt @ Plug #1: 4100-3754'. (Per Mustafa Haque w/ BLM's request). WOC. No tag. Re-spotted 35 sx class C cmt @ 4100-3754'. WOC & tagged @ 3725'. (Perfs @ 4052-4093')

5 1/2 14# CSG @ 4,111 Hole Size: 7 7/8 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 491442

CONDITIONS

Operator:	OGRID:
HUDSON OIL COMPANY OF TEXAS	25111
616 Texas Street	Action Number:
Fort Worth, TX 76102	491442
[·	Action Type:
	[C-103] Sub. Plugging (C-103P)

CONDITIONS

Created	By Condition	Condition Date
gcorde	ro None	9/3/2025