

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010**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.
NM-89879

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
SHUGART B #22. Name of Operator
Hudson Oil Company of Texas9. API Well No.
30-015-055533a. Address
616 Texas Street
Ft. Worth, TX 76102

3b. Phone No. (include area code)

817-336-7109

10. Field and Pool or Exploratory Area
SHUGART YATES S.R. & G.R.4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FNL & 660' FEL
SECTION 15-T18S-R31E11. Country or Parish, State
EDDY COUNTY, 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☐ Fracture Treat☐ 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 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 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 recompleation 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.)

1-MIRU, NIPPLE UP BOP.

2-RIH & SET 5 1/2" CIBP @ 50-100' ABOVE UPPER MOST PERF. 3952'-3902'

3-TEST 5 1/2" CSG. DISPLACE HOLE WITH 9.5 PPG MLF

4-SPOT 25 SX 'C' CMT ON TOP OF CIBP *

5-PERFORATE 5 1/2" CSG @ 2050' AND SQUEEZE WITH 35 SX 'C' CMT. WOC. TAG TOC INSIDE 5 1/2" <= 1860' (TOP OF YATES & BASE OF SALT)

6-PERFORATE 5 1/2" CSG @ 950' AND SQUEEZE WITH 75 SX 'C' CMT. WOC. TAG TOC INSIDE 5 1/2" <= 700' (TOP OF SALT/SURFACE CSG SHOE)

7-PERFORATE 5 1/2" CSG @ 60' CIRCULATE CLASS 'C' CMT. DOWN 5 1/2" AND UP 5 1/2" X 8 5/8" ANNULUS TO SURFACE

8-CUT OF WELL HEAD, VERIFY CMT. AT SURFACE IN 5 1/2" X 8 5/8" ANNULUS. PERFORM REMEDIAL CMT WORK, IF NECESSARY

9-INSTALL BELOW GROUND DRY HOLE MARKER, CUT OFF ANCHORS

10-RIP AND REMOVE CALICHE, CONTOUR TO SURROUNDING TOPOGRAPHY AND RESEED

* Set 2nd CIBP above perfs @ 3362 - 3374. (3262) cap w/ 25 sx cmt.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Below ground level dry hole marker required

I-4. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

FRANK GALINDO

Title FIELD SUPERINTENDANT

Signature

Date

2/29/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Accepted for record - NMOCD gc 10/2/2020

Approved by

Title

Supv. PET

Date

7-18-18

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

Cachibad

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

FIELD: SHUGART YATES S.R.
660' FNL & 660' FEL

Current Wellbore

WELL NAME: SHUGART B #2

FORMATION: G.B.

UNIT: A

SEC: 15

GL: 3717'

STATUS: OIL WELL

TWNSHP/RANGE: 18S-31E

COUNTY: EDDY

KB:

API NO: 30-015-05553

LOCATION: LOCO HILLS

STATE: NM

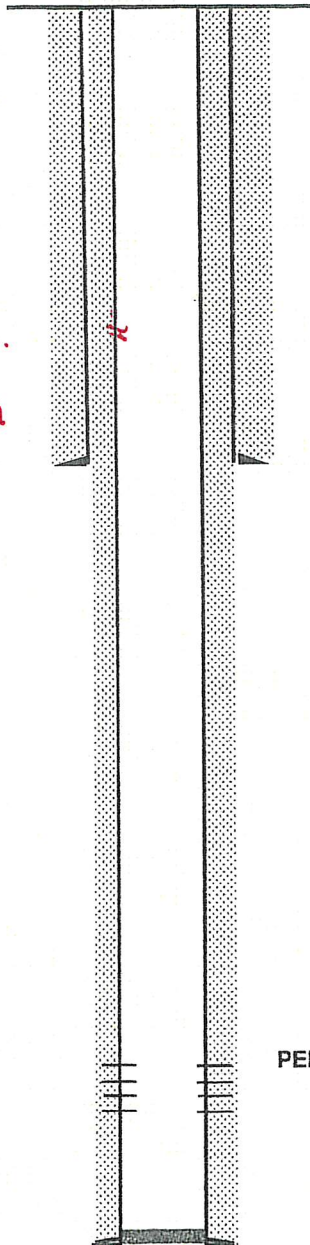
DF: 3717'

LAT:

LONG:

Spud Date: 8/31/1996

Completion: 9/19/1996



8-3/8", 24", J-55@761'
CMTD W/200 SX OF CLASS C

TOP OF SALT 906'

BASE OF SALT 1980'

PERFS: 4052-57, 70-78, 86-93'

5-1/2", 14#, J-55@4111'
CMTD W/1200 SX OF CLASS C

PBTB @ 4102'
TD @ 4111'

Updated: 2/19/2018
By: FG

Hudson Oil Company of Texas

FIELD:

SHUGART YATES S.R.

660' FNL & 660' FEL

UNIT:

A

TWNSHP/RANGE:

18S-31E

LOCATION:

LOCO HILLS

Proposed Wellbore

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SHUGART B #2

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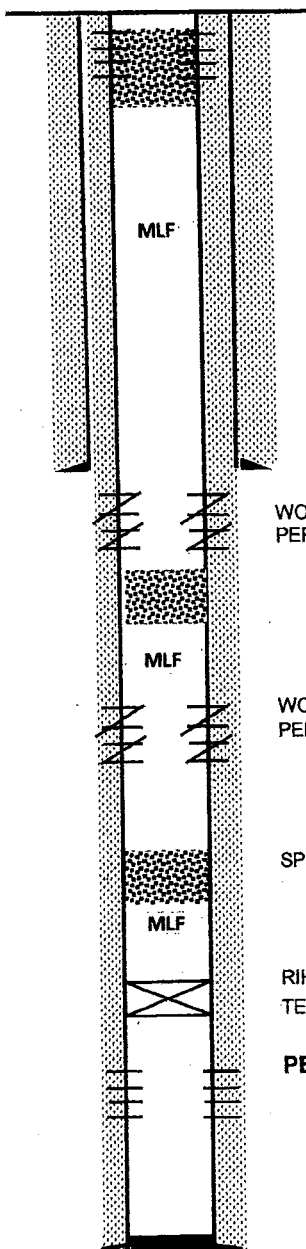
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CMTD W/200 SX OF CLASS C

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5-1/2", 14#, J-55@4111'
CMTD W/1200 SX OF CLASS C

PBTD @ 4102'
TD @ 4111'

Updated: 2/19/2018
By: FG

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 (LPC Habitat)

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 575-393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.** Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

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.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted