

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
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.
NMNM19423

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.7. If Unit or CA/Agreement, Name and/or No.
SRM1350 NM-720428. Well Name and No.
WHITE CITY FED 10 COM 11. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
MURCHISON OIL & GAS INCContact: CINDY COTTRELL
E-Mail: ccottrell@jdmii.com9. API Well No.
30-015-22396-00-S33a. Address
1100 MIRA VISTA BOULEVARD
PLANO, TX 75093-46983b. Phone No. (include area code)
Ph: 972-931-0700 Ext: 10910. Field and Pool, or Exploratory
WHITE CITY-PENN.

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 10 T25S R26E SWNE 1650FNL 1650FEL

11. County or Parish, and State

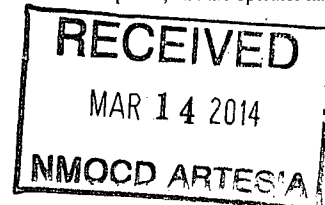
EDDY COUNTY, NM

12. CHECK 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"/> Fracture Treat	<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 performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Murchison Oil & Gas, Inc. respectfully requests permission to plug and abandon the well as described in the attached procedure.



LRD 3/17/14
Accepted for record
NMOCD

RECLAMATION PROCEDURE
ATTACHED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #233940 verified by the BLM Well Information System For MURCHISON OIL & GAS INC, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH HAM on 03/07/2014 (14DMH0301SE)	
Name (Printed/Typed) RUSTY COOPER	Title ENGINEERING MANAGER
Signature (Electronic Submission)	Date 01/30/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>James R. Ames</u>	Title <u>SEPS</u>	Date <u>3-11-14</u>
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 <u>CFO</u>

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

MURCHISON OIL & GAS INC.

White City 10 Federal #1

1650 FNL, 1650 FEL

Sec 10 T25S, R26E

Eddy County, NM

P&A Procedure (September 24, 2013)

The subject well is currently uneconomical to produce and there is no additional uphole potential. The well will be permanently abandoned.

Casing:

Surface – 16", 65#, H40 @ 233' w/ cmt circ
1st intermediate - 10 3/4", 40.5#, K55 @ 1784' w/ cmt circ
2nd intermediate - 7 5/8" @ 8545' cmt w/ 350 sx L + 100 sx T (Est. TOC 5350')
29.7#, S95 @ 7435'-8545'
26.4#, S95 @ 6006'-7435'
26.4#, N80 @ 0'-6006'
Production liner - 5", 15# & 18# & 23#, N80 @ 8214'-12,006' w/ cmt full length
*NOTE: reports do not indicate depths of 5" casing weight changes

Tubing:

2 3/8", 4.7#, N80 EUE: W/L entry guide, 8' pup, Baker Lok-Set packer at 10,174" w/ 14,000# comp, SN,
320 lts to surface

Abandoned perfs:

Morrow – 11,558'-11,966' w/ CIBP @ 11,400' w/ 35' cmt on top

Strawn/Atoka – 10,678'-10,988' w/ CIBP @ 10,973' w/ 35' cmt and CIBP @ 10,650' w/ 35' cmt

Existing perfs:

Cisco Canyon – 10,260'-10,414'

PROCEDURE:

1. Notify BLM of P&A activities.
2. Pull test anchors. Set matting boards and MIRU service rig.

3. Blow well down. Kill tubing with 30 Bbls produced water.
4. ND tree. NU 7 1/16" 3m BOP dressed with 2 3/8" pipe rams.
5. Release Lok-Set packer at 10,174'. Run packer 1 Jt downhole to +/- 10,200'. TOH and LD packer and nipples.
6. RU wireline and run GR-JB to 10,170'+. Run and set CIBP at 10,170'. Dump bail 35' cement on top of CIBP. RD and release wireline.
7. TIH with 2 3/8" tubing to 10,135' (top of cement plug). Circulate well with 420 Bbls 10 ppg P&A mud.
8. Pull 2 3/8" tubing up to ~~8626'~~ ^{8690 Top Wolfcamp} (50' below 7 5/8" shoe). Pump balanced cement plug with 65 sx Class H, Yield 1.07 cu ft/sx, wt 16.4 #/gal. Top of plug will be at 8114'. Plug will cover from 50' below 7 5/8" casing shoe to 100' above top of 5" liner. *and Top of Wolfcamp*
9. Pull up to +/- 5 Stds above cement top. ~~WOC 4 hrs.~~ Tag TOC. *See COA's*
10. Pull 2 3/8" tubing up to 5510' (50' below top of Bone Springs). Pump balanced cement plug with 35 sx Class C, Yield 1.32 cu ft/sx, wt 14.8 #/gal. Top of plug will be at 5360'. Plug will cover from 50' below to 100' above top of Bone Springs.
11. TOH with tubing.
12. Freepoint 7 5/8" casing. ***NOTE: If freepoint is above 2948', the next plug will be set in casing. If below 2948', continue.**
13. Tag Bone springs plug after WOC 4 hrs. Cutoff 7 5/8" casing as indicated.
14. Circulate 7 5/8" casing and annulus with 10 ppg P&A mud. TOH and LD casing.
15. TIH with tubing to 50' inside 7 5/8" casing stub.
16. Pump balanced cement plug with 80 sx Class C, Yield 1.32 cu ft/sx, wt 14.8 #/gal. Plug volume *100' + 10%* assumes 60% excess in open hole. Top of plug will be at 50' or more above cut off depth. *Per 1,000': 130' plug*
***NOTE: If cutoff point is near 2948' we may elect to cover that interval with this plug – notify office for instructions.**
17. Pull tubing into 10 3/4" casing at 1784' and WOC 4 hrs. Tag cement plug.
18. Pull 2 3/8" tubing up to 2998' (50' below top of Cherry Canyon). Pump balanced cement plug with 60 sx Class C, Yield 1.32 cu ft/sx, wt 14.8 #/gal. Plug volume assumes 60% excess in open hole. Top of plug will be at 2898'. Plug will cover from 50' below to 50' above top of Cherry Canyon. *130' plug Min.*
19. Pull tubing into 10 3/4" casing at 1784' and WOC 4 hrs. Tag cement plug.
20. Pull 2 3/8" tubing up to 2056' (50' below top of Bell Canyon). Pump balanced cement plug with 75 sx Class C, Yield 1.32 cu ft/sx, wt 14.8 #/gal. Plug volume assumes 60% excess in open hole. Top of plug will be at 1956'. Plug will cover from 50' below to 50' above top of Bell Canyon. *120' plug Min*
21. Pull tubing to +/- 5 Stds above top of cement plug and WOC 4 hrs. Tag cement plug.
22. Pull 2 3/8" tubing up to 1830' (50' below 10 3/4" casing shoe). Pump balanced cement plug with 60 sx Class C, Yield 1.32 cu ft/sx, wt 14.8 #/gal. Plug volume assumes 60% excess in open hole. Top of plug will be at 1730'. Plug will cover from 50' below to 50' above 10 3/4" casing shoe. *120' plug Min.*
23. Pull tubing to +/- 5 Stds above top of cement plug and WOC 4 hrs. Tag cement plug.
24. Pull 2 3/8" tubing up to 270' (50' below 16" casing shoe). Pump balanced cement plug with 45 sx Class C, Yield 1.32 cu ft/sx, wt 14.8 #/gal. Top of plug will be at 170'. Plug will cover from 50' below to 50' above 16" casing shoe.
25. TOH and LD tubing.
26. Dig out and cut off wellhead at 4' below GL. Set 50' cement plug from 54' – 4' BGL.

27. Weld on P&A marker with following information 4' above GL.

Murchison Oil and Gas Inc.

White City 10 Federal #1

Sec 10, T25S, R26E

1650' FNL, 1650' FEL

Eddy County, NM

API# 30-015-22396

Lease# NM 19423

Date well plugged



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

Interim Reclamation 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.

Interim reclamation consists of minimizing the footprint of disturbance by reclaiming all portions of the well site not needed for production operations. The portions of the cleared well site not needed for operational and safety purposes are recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Sufficient level area remains for setup of a workover rig and to park equipment. Topsoil is respread over areas not needed for all-weather operations. Production facilities should be clustered to maximize the opportunity for interim reclamation. In order to inspect and operate the well or complete workover operations, it may be necessary to drive, park, and operate on restored, interim vegetation within the previously disturbed area. This is generally acceptable provided damage is repaired and reclaimed following use.

To reduce final reclamation costs; maintain healthy, biologically active topsoil; and to minimize habitat, visual, and forage loss during the life of the well, all salvaged topsoil should be spread over the area of interim reclamation, rather than stockpiled.

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). Interim reclamation is to be completed within 6 months of well completion.
3. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with interim reclamation as per approved APD or Sundry Notice. 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.
4. 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.
5. 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 there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909 (Office), 575-361-2648 (Cell)

Linda Denniston
Environmental Protection Specialist
575-234-5974

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

Mike Burton
Environmental Protection Specialist
575-234-2226

Jeffery Robertson
Natural Resource Specialist

Solomon Hughes
Natural Resource Specialist
575-234-5951

Douglas Hoag
Civil Engineering Technician
575-234-5979

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.

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 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. In lieu of a cement plug in a cased hole, 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.

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. **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 well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. 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).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five 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 conditions of approval will be developed and furnished to you.