

NM OIL CONSERVATION

ARTESIA DISTRICT

JUL 21 2015

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.
NMNM0354232

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 ☐ Other

8. Well Name and No.
Esperanza 19 Fed Com #2

2. Name of Operator
Mewbourne Oil Company

9. API Well No.
30-015-33494

3a. Address
PO Box 5270
Hobbs, NM 88241

3b. Phone No. (include area code)
575-393-5905

10. Field and Pool or Exploratory Area
Burton Flat Morrow

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

599' FNL & 2043' FEL, Sec 19, T21S, R27E

11. County or Parish, State
Eddy

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"/> 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 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 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 determined that the site is ready for final inspection.)

Please see attached plugging procedure.

AW 7/2/2015
Approved for record
[Signature]

**RECLAMATION PROCEDURE
ATTACHED**

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**
"Note Changes"

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

Dillon Welch

Title Engineer

Signature

Dillon A Welch

Date 07/06/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

James H. [Signature]

Title

SPE T

Date

7-7-15

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

CEO

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)

Mexbourne Oil Company

COMPLETION PROCEDURE

Submitted By: D. Welch

Wellname: Esperanza 19 Fed Com #2

Location: 599' FNL & 2043' FWL
Sec 19, T21S, R27E
Eddy Co, NM

Date: 6-15-15

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ARTESIA DISTRICT

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Csg Set: Set @ 11,890'

Packer Type: 5 1/2" x 2 7/8" 1X Pkr w/ O/O tool X

Csg Size: 5 1/2" 17# HCP110 LT&C

Packer Depth: 11267'

DV Tool: Set @ 6961'

Tbg: 2 7/8" 6.5# P110 tbg

TOC: 3900'

Tbg Set: 11307'

Perfs: 11458' - 11552'

Int. Csg: 9 5/8" set @ 2246'

Attempts have been made to repair the parted tbg and csg. Failed to release packer and recover 1000' of tbg. The conclusion has been made that the reserves left in the well will not be able to pay out the repairs. Looking to plug the well now.

Procedure:

1. MIRU WS Rig.
2. ND WH & NU BOP. POOH w/tbg.
3. RIH w/cement retainer & tbg testing to 8K above slips to top of cut off tbg (10,320').
4. Set cement retainer @ 10,300'. Sting out & sting back in CR. Pump 55 BFW to establish rate into morrow perfs.
5. Pump 150 sks Class H cmt.
6. Sting out of cmt retainer & spot 416' (52 sks) Class H cmt plug from 9884'-10300'.
7. POOH to 9884' & spot 23 bbls plug mud.
8. POOH to 8902' & spot 190' (25 sks) Class H cmt plug from 8712'-8902'.
9. POOH to 8712' & spot 87 bbls plug mud. *Add Plug (DVT @ 6961') 190' from 7056'-686*
10. POOH to 4975' & spot 150' (15 sks) Class C cmt plug from 4825'-4975' *(25 sk min) WOC Tag.*
11. POOH to 4825' & spot 45 bbls plug mud.
12. POOH w/tbg.
13. ND BOP & ND csg spool.
14. Spear csg & unset slips. Release 5 1/2" OS from fish.
15. NU 9" BOP w/5 1/2" rams & POOH LD 5 1/2" csg from 2845'. Send new 5 1/2" on location to Double R for credit.
16. RIH w/tbg to 2910' & spot 730' (185 sks) Class C plug from 2180'-2910'.
17. POOH w/tbg & WOC. *Add plug (DVT @ 1789) 120' plug from 1849'-1729*
18. RIH w/tbg & tag TOC. Ensure that cmt is 65' above the 9 5/8" shoe (2245'). *WOC Tag*
19. Spot 127 bbls plug mud & POOH to 570'.
20. Spot 570' (190 sks) Class C plug from surf-570'. Top of w/cmt as needed.
21. ND BOP & RDMO WS rig.

Esperanza 19 Fed Com #2

Last Updated: 6/30/15

By: D. Welch

Spud Date: 7-20-04

Date:

40' of 20" Conductor

Surface

17 x 13 3/8" 48# H40 LT&C

Set @ 450'

Circ 94 sks of cmt
to pit.

Intermediate

12 1/4 x 9 5/8" 32# J55 LT&C

Set @ 2245'

Circ 10 sks of cmt to pit.

Tbg in hole

2 7/8" P110

Top of tbg @ 10,320'

Packer @ 11,256'

Perfs:

Morrow

11,458'-11,552'

Production

7 7/8" x 5 1/2" 17# HCP110 LT&C

Set @ 11890'

PBTD 11840'

Esperanza 19 Fed Com #2

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Spud Date: 7-20-04

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40' of 20" Conductor

Surface

17 x 13 3/8" 48# H40 LT&C

Set @ 450'

Circ 94 sks of cmt
to pit.

Intermediate

12 1/4 x 9 5/8" 32# J55 LT&C

Set @ 2245'

Circ 10 sks of cmt to pit.

Top of Cap rf
520'

Over shot latched on csg @ 2844'

Top of cmt @ 3900'

Original cmt
Plug cement
Plug mud

Cement retainer @ 10300'

Perfs:

Morrow
11,458'-11,552'

Production

7 7/8" x 5 1/2" 17# HCP110 LT&C

190 sks
Class C

127 bbl
Plug mud

185 sks
Class C

45 bbl
Mud

15 sks
Class C

87 bbl
Mud

25 sks
Class H

23 bbl
Mud

52 sks
Class H

150 sks
Class H

PBTD 11840'

Top of Delaware 2,549'

Top of Bone Springs 4,900'

Top of Wolfcamp 8,852'

Top of Canyon 9,934'

Top of Strawn 10,245'

Top of Atoka 10,736'

Top of Morrow 11,299'

Top of tbg @ 10,320'

Packer @ 11,256'

ESPERANZA "19" FEDERAL COM. #2
LOG TOPS

<u>FORMATION</u>	<u>TOP</u>	<u>TVD</u>	<u>DATUM</u>
KB	3207		
Capitan Reef	520	520	2687
Delaware	2549	2549	658
Bone Spring	4900	4900	-1693
1 st Sand	6240	6232	-3025
2 nd Sand	6971	6942	-3735
3 rd Sand	8476	8369	-5162
Wolfcamp	8852	8726	-5519
Canyon	9934	9756	-6549
Strawn	10,245	10,052	-6845
Atoka Shale	10,736	10,518	-7311
Atoka Carbonate	10,810	10,590	-7383
Morrow "A" Carbonate	11,299	11,052	-7845
MM Orange Sand	11,318	11,070	-7863
MM Pink Sand	11,356	11,106	-7899
MM Blue Sand	11,396	11,144	-7937
MM Green Sand	11,474	11,218	-8011
Lower Morrow	11,570	11,308	-8101
LM Yellow Sand	11,570	11,308	-8101
LM Orange Sand	11,646	11,382	-8175
LM Brown Sand	11,692	11,425	-8218
Barnett	11,717	11,448	-8241
TD Driller	11,890	11,613	-8406
TD Schlumberger	11,874	11,596	-8389

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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 575-393-3612.

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. 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 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).

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 procedure.

J. Amos 3/6/11



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 and all contaminants, scrap/trash, equipment, pipelines and powerlines. 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.

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
575-234-5909, 575-361-2648 (Cell)

Cody Layton
Supervisory Multi Resources
575-234-5959

Arthur Arias
Environmental Protection Specialist
575-234-6230

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Linda Denniston
Environmental Protection Specialist
575-234-5974

Jeffery Robertson
Natural Resource Specialist
575-234-2230

Henryetta Price
Environmental Protection Specialist
575-234-5951

Dara Glass
Environmental Protection Specialist
575-234-5924

Shelly Tucker
Environmental Protection Specialist
575-234-5979