#### **UNITED STATES** DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD VIPOSIA

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

5. Lease Serial No. NMNM36975

SUNDRYN	OTICES AND REPORTS ON WELLS	
Do not use this	form for proposals to drill or to re-enter a	an
	Han forms 24CO 2 (4DD) for such such such	

abandoned well. Use form 3160-3 (APD) for such proposals.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRI	/. II OII	7. If One of CATAgreement, Name and to No.						
Type of Well					8. Well Name and No. SALT DRAW 28 FEDERAL 1			
Name of Operator Contact: ADDISON LONG     FASKEN OIL AND RANCH, LTD. E-Mail: addisonl@forl.com					9. API Well No. 30-015-26142			
3a. Address 6101 HOLIDAY HILL ROAD MIDLAND, TX 79707	3b. Phone No. (include Ph: 432-687-1777		10. Field WILL	10. Field and Pool, or Exploratory WILLOW LAKE				
4. Location of Well (Footage, Sec., 7			11. Cou	11. County or Parish, and State				
Sec 28 T24S R <sub>2</sub> 1980FNL 660			EDD	EDDY COUNTY, NM				
12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE NATU	RE OF NOT	TICE, REPORT,	OR OTHER	R DATA		
TYPE OF SUBMISSION	TYPE OF ACTION							
Notice of Intent     ■     Notice of Intent     Notice of Inten	☐ Acidize	☐ Deepen		☐ Production (Start/Resume)		☐ Water Shut-Off		
_	☐ Alter Casing	☐ Fracture Tre	at 🗀	☐ Reclamation		■ Well Integrity		
☐ Subsequent Report	□ Casing Repair	☐ New Constr	uction [	☐ Recomplete		□ Other		
☐ Final Abandonment Notice	☐ Change Plans	Plug and Al	andon [	Temporarily Aba	ndon			
	Convert to Injection	Plug Back		Water Disposal				
Fasken Oil and Ranch, Ltd. proposes to plug and abandon the Salt Draw 28 Federal No. 1.  Please see attached for procedure, current and proposed plug and abandon wellbore diagrams.  **NM OIL CONSERVATION FOR ARTESIA DISTRICT ATTACHED FOR ARTESIA DISTRICT MAR 1 4 2016  **NM OIL CONSERVATION FOR APPROVAL Accepted for record NMOCD**  **ACCEPTED ACCEPTED NMOCD**								
14. I hereby certify that the foregoing is	true and correct. Electronic Submission #3	28427 verified by the	BLM Well In	formation System	·			
	For FASKEN OIL	AND RANCH, LTD.,	sent to the C	Carlsbad				
Name (Printed/Typed) ADDISON LONG			REGULATO	ORY ANALYST				
Signature (Electronic Submission)			Date 01/13/2016					
THIS SPACE FOR FEDERAL OR STATE OFFICE USE								
Approved By ( Land Libble		Title	Eng			Date 3/3/16		
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.			CFO	, <u></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.								

## Recommended Procedure Salt Draw "28" Federal No. 1 1980' FNL & 660' FEL Sec 28, T24S R28E AFE 3330

## NM OIL CONSERVATION

MAR 1 4 2016

**OBJECTIVE:** Plug and Abandon RECEIVED WELL DATA: GL: KB: 3006.2 20" 106.5# K-55 ST&C casing: Set at 600'. Cmt w/ 2405 sx + 7 yds of gravel to surface Set at 2540'. Cmt w/ 3600 sx "C" to surface 13-3/8" 54.5#K55 ST&C casing: 9-5/8\*43.5#&53.5# N-80,S-95,&P-110 csg: Set at 9800'. Cmt w/ 1575 sx. TOC 5730' by TS 5-1/2" 23# N-80 & P-110 Liner: Set @ 13,450' to 9,313'. Cmt w/ 1650 sx to top of liner (0.0211 bbl/ft) Tubing: (See WB diagram and TA well work summary): Notched Collar (0.50'), 2-3/8" cup type SN (1.10'), 262 jts 2-3/8" EUE AB modified N-80 tubing (8379', Avg Jt Lngth 31.98'). EOT 8392.10' KB. Plug 5 CIBP: 8,523' with 25sx "H" (PBTD 8,442') cement (12-20-15) Perforations: 2nd Bone Spring: 8594'-8628' (69h, 2spf, 60° ph, 0.41" EHD) (12-14-11) 9182'-9850' w/ 848' cement (125 sx "H") (12-13-11) Plug 4 Liner Plug: 11,500' with 4sx "H" (52') cement (12-10-11) Plug 3 CIBP: Atoka/Strawn: 11,566'-11,572', 11,604'-14', 11,660'-11,667' 45 holes, Plug 2 CIBP: 11,690 with 7 cement (3-14-09) Perforations: Atoka/Strawn: 11,695'-704'; 11,708'-14'; 11,720'-30', 11759'-63' (51 total holes) Plug 1 CIBP: 12,250' with 35' cement Perforations: Morrow: 12,625'-45'; 12,663'-68' TD. 13.610 PBTD: 8,442' (CIBP @ 8,523' w/25sx "H")

- 1. Test mast anchors.
- Need to locate +/-100 9-5/8" pin end thread protectors for casing, and 9-5/8" 53.5#/ft piece of casing (+/-20' long) with a good collar.
- 3. Notify NMOCD and BLM 72 hours prior to starting work of intent to proceed with plugging job.
- Set rig mats and 2 sets pipe racks.
- 5. RUPU and plugging equipment. Set steel pit and lay lines. Make sure to have plenty of sugar on hand to put in cement to keep from setting up in pit. Should have at least 30 pounds on location.
- 6. RU pump truck and test casing to 500 psi. Spot 156 bbls (9-5/8" 53.5# 0.0707 bbl/ft) 9.5 ppg salt mud with 12.5 lbs of gel per barrel 8392'-6190'. This places mud to the next plug (Plug6) depth of 6190'.
- 7. NDWH, Install BOP.
- 8. POW with 2-3/8" EUE 8rd N-80 tbg laying down +/-2200' (69 jts, AJL 31.98') to 6190' (240 6040
- 9. **PLUG6**: RU cement pump truck. Mix and spot 60 sx Class "C" cement 6490'-5990'. POW with 6 stands (+/-200'), pump 5 bbls water through tubing, reverse circulate with 10 bbls water.
- 10. ND BOP and ND "B" section on wellhead. Remove packing and plates on 9-5/8" casing.
- 11. Weld 9-5/8" lift sub on top of 9-5/8"" casing stub. Make sure to strap casing on at least 3 sides.
- 12. Pick up on casing to remove slips. (If unable to get casing out of slips get casing jacks.)
- 13. Work casing and attempt to get movement in casing.

- 14. Obtain casing stretch measurement.
- 15. If pipe has enough movement, RUWL and RIW with jet cutter. Jet cut 9-5/8" casing at +/- 3360' (180,000 lbs max derrick weight using 53.5#/ft). If needed use wireline to run free point. Cut casing where it has at least 70-80% free pipe movement.
- Attempt to work pipe free and if needed pump fresh water down 9-5/8" casing.
- 17. Notify Midland office with results.
- 18. If able to work casing free install BOP with 9-5/8" pipe rams and blind rams.
- 19. POW and LD casing while installing pin end thread protectors on casing. Strap casing on racks.
- 20. NU "B" section of wellhead and install BOP with 2-3/8" pipe rams and blind rams.
- 21. RIW 2-3/8" mule shoe sub and enough 2-3/8" tubing to go to the top of Plug6 (5990') and pump 186 bbls 9.5 ppg gel laden fluid to 50' below cutoff +/-3360'.
- 22. POW tubing laying down to 50' below 9-5/8" casing stub +/-3360'.
- 23. **PLUG7**: RU cement pump truck. Mix and spot 50 sx Class "C" cement (15sx in csg and 35sx in 12-1/4" OH) 3410'-3310': 3260 (min. /30' p/uq)
- 24. SD 2-3 hours to WOC.
- 25. RIW and tag top of cement and make sure cement top is at least 50' above top of 9-5/8" casing stub.
- 26. After approval is given RU pump truck and circulate well with 480 bbl 9.5 ppg salt mud with 12.5 lbs of gel per barrel (353 bbl 13-3/8" casing less the remaining 250' of plugs 8-10 + estimated 127 bbl assuming 12-1/4" hole).
- 27. POW with tubing laying down to 2590' FS, 50' below 9-5/8" shoe.

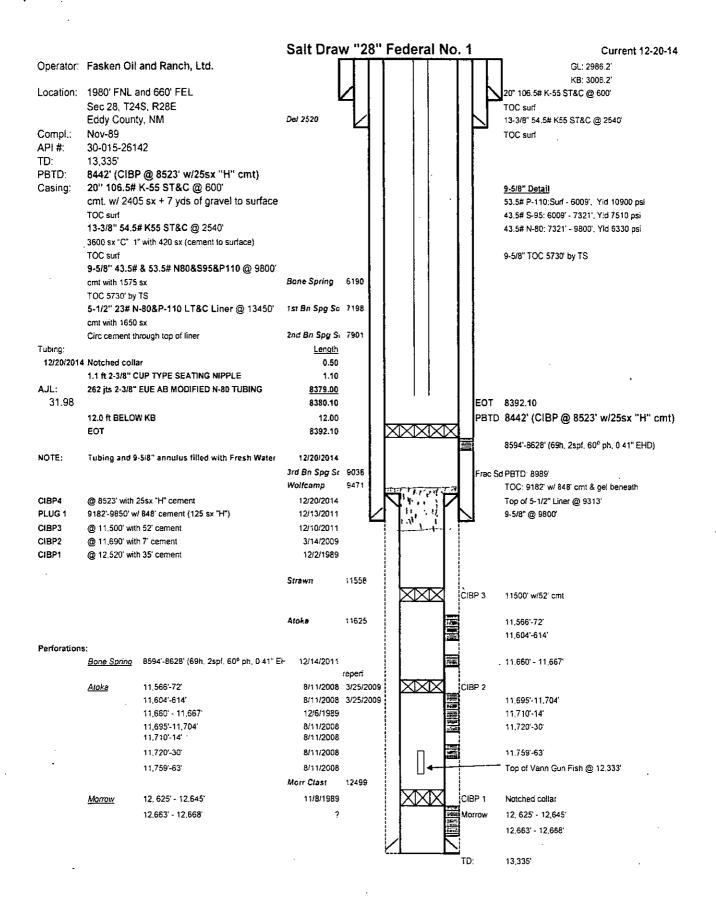
2470' (min, 126 Plug)

- 28. PLUG8: RU pump truck and mix and spot 65 sx Class "C" cement from 2590' to +/-2490' FS.
- 29. POW with EOT at 2000' FS.
- 30. SD 2-3 hours to WOC.
- 31. RIW and tag top of cement and make sure cement top is at least 2490' (50' above the 9-5/8" shoe).
- 32. POW laying down 61 jts (1940') tubing with EOT at 650'.
- 33. PLUG9: RU pump truck, mix and spot 65 sx Class "C" cement from +/- 650' to 550' for "Top of Salt plug". WOC + Tag
- 34. POW and LD all but 2 joints tubing.
- 35. ND BOP and ND "B" section of wellhead. 400' (High Cave/Karst)
- 36. PLUG10: RIW with two joints tubing (65') into well and fill up casing with 43 sx class "C" cement.
- 37. RDPU and clean location. Empty pit and cut off rig anchors. Release all rental equipment.
- 38. Cut off casing below all wellheads.
- Weld plate onto casing with marker joint with the following information. Fasken Oil & Ranch Ltd., Salt Draw "28" Federal No. 1, Section 28, T24S, R28E, 1980' FNL and 660' FEL, Unit H.
- Midland office will file for pit closure permit. After permit for pit closure is received close pit as per OCD requirements.
- 41. Clean location and remediate per OCD requirements.

#### CWB/SRF

1-13-16

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## BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

NM OIL CONSERVATION
ARTESIA DISTRICT
MAR 1 4 2016

RECEIVED

## 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 <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> 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. <u>Notification:</u> 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. <u>Blowout Preventers</u>: 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. <u>Mud Requirement:</u> 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. <u>Cement Requirement</u>: 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 10<sup>th</sup> 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. <u>Subsequent Plugging Reporting:</u> 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. <u>Trash</u>: 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.



# **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 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. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute 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 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)

Arthur Arias Environmental Protection Specialist 575-234-6230

Linda Denniston Environmental Protection Specialist 575-234-5974

Henryetta Price Environmental Protection Specialist 575-234-5951

Dara Glass Environmental Protection Specialist 575-234-5924

Shelly Tucker Environmental Protection Specialist 575-234-5979