

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Artesia

FORM 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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Wagner Oil Company

3a. Address
500 Commerce, Suite 600
Fort Worth, TX 76102

3b. Phone No. (include area code)
817-335-2222

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FNL & 330' FWL, Unit D, SWSE Sec 25 - 26S - 29E

5. Lease Serial No.
NMNM41646

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
BD Federal #2

9. API Well No.
30-015-25479

10. Field and Pool or Exploratory Area
Brushy Draw - Delaware

11. 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			
<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.)

Kill well w/field water if necessary

MIRU Well Service Unit

TOH w/rods and pump

NDWH and NU BOP

Release TAC and TOH w/tbg

TIH w/ 5 1/2" CIBP & set @ 5050' to 5100', Dump bail 2 sxs cmt on CIBP

Circulate brms up w/2% KCL and biocide treated water

Perforate Ramsey Sand 3102' - 3130' w/4 shots per foot, 90 degree phasing

Set pkr @ 2950' +/-

Swab well

Possible frac - see attached procedure

TIH w/BHA, TAC and tbg. EOT @ 3050' - 3100'

Swab well

TIH w/pump and rod string

Put well on production

NM OIL CONSERVATION
ARTESIA DISTRICT

MAY 16 2016

RECEIVED

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Accepted for record - NMOCD

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Sabrina Bonner

Title Regulatory Analyst

Signature

Sabrina Bonner

Date 04/08/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.

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)

APPROVED

MAY 11 2016

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Overview Of Job:		
Stages:	1	
STP		2,740 psi
Total Rate		15.0 bpm
Treatment Schedule :		
Stages:	1	
Pump Time Estimated Hrs/Min		00:56 HH:MM
15% HCl Acid		1,000 gal
Slickwater		21,000 gal
PolyLite		12,000 gal
20/40 White		30,000 Lbs
Total BBLS For Job		810 BBLS
Total Gallons For Job		34,000 gal
Max Pressure		5,000 psi

Specification For Fluids:		
15% HCl Acid	Pumped Volume 1,000 gals	
10.1%-15.0% HCL	1,000.000 GPT	1,000 gals
CI-150	4,000 GPT	4 gals
NE-100	2,000 GPT	2 gals
FE-200L	5,000 GPT	5 gals
Stickwater	Pumped Volume 21,000 gals	
FRW-200	1,000 GPT	21 gals
KCLS-4	1,000 GPT	21 gals
SHALE SURF 1000	1,000 GPT	21 gals
ICI-3240	0.250 GPT	5 gals
PolyLite	Pumped Volume 12,000 gals	
HVG-1 4.0	5,000 GPT	60 gals
BXL-5	0.500 GPT	6 gals
APB-1	0.500 PPT	6 lbs
LTB-1	1.500 PPT	18 lbs

Treatment Schedule :									
Stages: 1									
Step Type	Rate/BPM	Proppant Conc	Clean/bbls		Slurry/bbls		Sand/lbs		Time
			Stage	Total	Stage	Total	Stage	Total	Minutes
15% HCl Acid Acid	15.0	0.00	24	24	24	24	0	0	00:01:35
Slickwater Pre-Pad	15.0	0.00	190	214	190	214	0	0	00:12:41
Slickwater Pad	15.0	0.00	190	405	190	405	0	0	00:12:41
PolyLite 20/40 White	15.0	1.00	71	476	75	479	3,000	3,000	00:04:58
PolyLite 20/40 White	15.0	2.00	71	548	78	557	6,000	9,000	00:05:11
PolyLite 20/40 White	15.0	3.00	71	619	81	638	9,000	18,000	00:05:24
PolyLite 20/40 White	15.0	4.00	71	690	84	723	12,000	30,000	00:05:37
Slickwater Flush	15.0	0.00	119	810	119	842	0	30,000	00:07:50
									00:58

**BD Federal 2
30-015-25479
Wagner Oil Company
May 11, 2016
Conditions of Approval**

Work to be completed by August 11, 2016.

Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.

- 1. Operator shall set CIBP at 5,090' (50'-100' above top most perf) with a minimum of 25 sx Class C cement on top. WOC and tag required.**
- 2. Operator shall place solid Class C cement plug from 3,690'-3,550' to seal the Delaware formation.**
- 3. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails.**
- 4. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.**
- 5. Surface disturbance beyond the originally approved pad must have prior approval.**
- 6. Closed loop system required.**
- 7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 8. Operator to have H2S monitoring equipment on location.**
- 9. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work-strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**

10. Subsequent sundry required detailing work done, new C-102, and completion report for the new formation. Operator to include well bore schematic of current well condition when work is complete.

11. See attached for general requirements.

JAM 051116

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

Permanent Abandonment of Production Zone 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 this approval.

If you are unable to plug back 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 back. 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 plug back operations. For wells in Eddy County, call 575-361-2822. For wells in 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.**

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. Subsequent Plug back Reporting: Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back 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 work was completed.

7. 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.