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| 2. 60 sks Class C cmt; 2,855-2,725' Tag (intermediate shoe); 16.8 bbl 9.5# mud laden fluid 3. 56 sks Class C cmt; 2,000-1,880' Tag (top of Yates/base of salt); 25 bbl 9.5# mud laden fluid 4. 154 sks Class C cmt; 810-475' Tag (top of salt and surface shoe) 9.6 bbl 9.5# mud laden fluid 5. 28 sks Class C cmt; 810-475' Tag (top of salt and surface shoe) 9.6 bbl 9.5# mud laden fluid 5. 28 sks Class C cmt; 810-475' Tag (top of salt and surface shoe) 9.6 bbl 9.5# mud laden fluid 5. 28 sks Class C cmt; 810-475' Tag (top of salt and surface shoe) 9.6 bbl 9.5# mud laden fluid 5. 28 sks Class C cmt; 80'-surface. Upon final plugging witness the wellhead will be removed and the csg will be capped with a steel plate. A 4* diameter marker with the well name and API will be welded in place. Upon final plugging witness the wellhead will be removed and the csg will be capped with a steel plate. A 4* diameter marker with the well name and API will be welded in place. Upon final plugging witness the wellhead will be removed and the csg will be capped with a steel plate. A 4* diameter marker with the well name and API will be welded in place. Upon final plugging witness the wellhead will be removed and the csg will be capped with a steel plate. A 4* diameter marker with the well name and API mill be welded in place. Upon final plugging witness the wellhead will be removed and the csg will be capped with a steel plate. A 4* diameter marker with the well name and API mill be welded in place. Upon final plugging witness the well correct. Name (<i>Printed/Typed</i>) Date Title Operations Manager Title Operations Manager Title Emplicient holds legal or equitable lift to those rights in the subject lease which would entitle the applicant holds legal or equitable lift 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 criter for any person knowingly and willfully to make to any department or agency of the United Stat | completion of the involved operations. If the operation results in a multiple completion or recompletion 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 detennined that the site is ready for final inspection.) Proposed Operation to start December 2016. The Shugart West 19 Federal #5 was plugged back via block squeeze and a tag was witnessed by BLM representative Jim Hughes. Black Mountain Operating is requesting permission to continue plugging operations and intends to permanently abandon this well. A total of five plugs will be set and the csg will be perforated at the base of each plug. Each plug will be tagged to verify proper set depth. 9.5# mud laden fluid will remain between each | | | | | | | | | |
| will be welded in place. 14. 1 hereby certify that the increasing is true and correct. Name (Printed/Typed) John Wierzowiecki Signature Title Signature THE SPACE FOR FEDERAL OR STATE OFICE USE Approved by 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 | 2. 60 sks Class C cmt; 2,855"-2,725' Tag (intermediate shoe); 16.8 bbl 9.5# mud laden fluid 3. 56 sks Class C cmt; 2,000'-1,880' Tag (top of Yates/base of salt); 25 bbl 9.5# mud laden fluid 4. 154 sks Class C cmt; 810'-475' Tag (top of salt and surface shoe) 9.6 bbl 9.5# mud laden fluid | | | | | | | | | |
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(Instructions on page 2)

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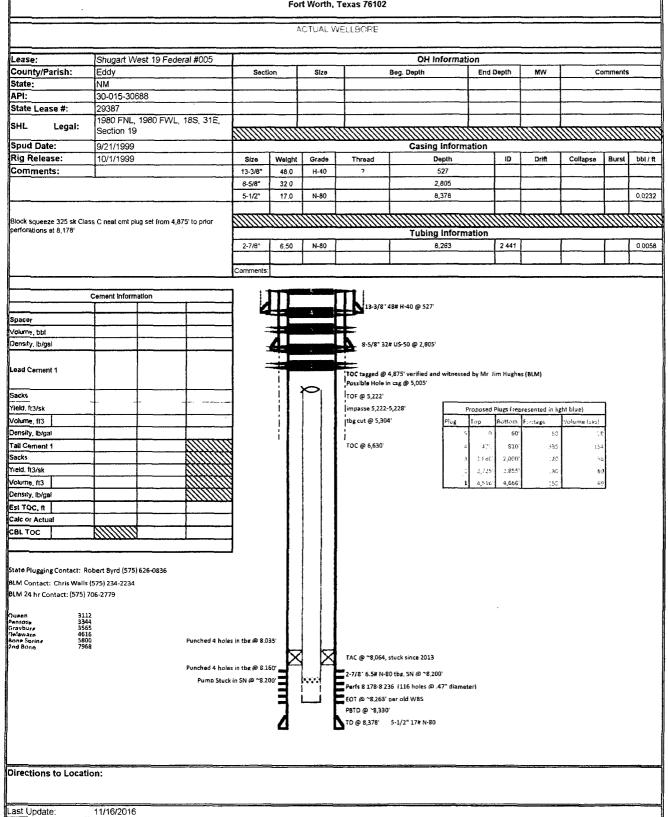
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Black Mountain Oil & Gas

500 Main Street Suite 500

Fort Worth, Texas 76102



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

NM OIL CONSERVATION

ARTESIA DISTRICT

DEC 2222016

RECEIVED

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 <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 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. <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. <u>Below Ground Level Cap (Lesser Prairie-Chicken Habitat)</u>: 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. <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. <u>Show date well was plugged.</u>

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.

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